OCTOBER 1997
$3.00/£2.00

MONTHLY REVIEW

AN INDEPENDENT SOCIALIST MAGAZINE

CHE'S REVOLUTIONARY HUMANISM

MICHAEL LÖWY

LATIN AMERICA: THIRTY YEARS AFTER CHE

JAMES PETRAS

A REVOLUTIONARY LIFE

BILL DOYLE and DOROTHY DOYLE

VOL. 49

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Doug Dowd reviews Doug Henwood, Colin Mooers reviews Terry Eagleton, and Stanislav Menshikov reviews David Kotz and Fred Weir.

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MONTHLY REVIEW:
(ISSN 0027 0520) is a publication of Monthly Review Foundation, a non-profit institution. It is published monthly except July and August, when bimonthly, and copyright © 1997, by Monthly Review. Periodicals postage paid at New York, NY and additional mailing offices. POSTMASTER: Send all address changes (Form 3579) to Monthly Review Foundation, 122 West 27th Street, New York, NY 10001. EDITORIAL AND BUSINESS: 122 West 27th Street, New York, NY 10001. Telephone: (212) 691-2555. Fax: (212) 727-3676 Email: mreview@igc.apc.org. Unsolicited manuscripts will not be returned unless accompanied by a stamped, self-addressed envelope. MR is indexed in the PAIS Bulletin, Historical Abstracts, America: History and Life, Political Science Abstracts, and the Alternative Press Index, P.O. Box 7729, Baltimore, MD 21218, tel.: (301) 243-2471. NEWSSTAND DISTRIBUTION: B.De Boer, Inc., 113 E. Centre Street, Nutley, NJ 07110; Armadillo & Co., 5795 W. Washington Boulevard, Culver City, CA 90232; Small Changes, 3443 Twelfth Avenue West, Seattle, WA 98119; Central Books, 99 Wallis Road, London, E9 5LN, England. SUBSCRIPTION PRICE: U.S.: One year $28, students and senior citizens $23; Foreign $36; students and senior citizens $32. Libraries and Institutions: U.S. $48; Foreign $55. Additional Postage: First Class (U.S. and Canada $15); Airmail: Foreign $20.

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NOTES FROM THE EDITORS:

We are writing at the end of August. The two main events of the summer have been (1) the apparent ending of the long stock-market boom of the last few years, and (2) the successful strike of the teamsters against the UPS. Neither can be said to have been anticipated and together they point to the emergence of new trends in the period ahead.

(1) The *New York Times* ran a story on August 30th under the headline "Dow off 72.01 to Conclude Its Worst Month in Seven Years." It begins, "July giveth and August taketh away. That was the story at the end of the trading yesterday, after all the gains made in July, the year's

(Continued on inside back cover)

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CHE'S REVOLUTIONARY HUMANISM

by MICHAEL LÖWY

Global neoliberalism parades victoriously through our era, monopolizing its discourse and ideology. To confront the inherent perversity of the capitalist system's universal domination we need, more than ever, alternative modes of thinking and acting that are universal, global, planetary. We need ideas and models that, in a thoroughly radical fashion, confront the worship of the market and of money which has become the dominant credo of the moment. As is the case with very few other leftist leaders of the twentieth century, the legacy of Ernesto 'Che' Guevara—universal spirit, internationalist and consistent revolutionary—continues to mount such a challenge.

The interest generated by Che Guevara is not surprising. The number of books, conferences, articles, films and discussions about Che cannot be explained simply as a commemorative result of the thirtieth anniversary of his demise. For who was interested in Stalin in 1983, thirty years after his death?

Years go by, fads change, modernisms are succeeded by postmodernisms, dictatorships are replaced by "hard democracies," Keynesianism by neoliberal politics, and the Berlin

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Wall is replaced by a wall of money. Yet Che's message still shines like a beacon in this dark and cold end of the century.

In his "Theses on the Concept of History," the Jewish-German Marxist Walter Benjamin, who in 1940 committed suicide to avoid falling in the hands of the Gestapo, wrote that for the oppressed, the memory of their defeated and slain ancestors is a deep source of inspiration for revolutionary action. Ernesto Guevara, together with Jose Martí, Emiliano Zapata, Augusto Sandino, Farabundo Martí and Camilo Torres, is one such martyr: fallen as he stood tall, gun in hand, another seed of a different future planted in the Latin American soil; a star in the firmament of hopes of the people, a coal smoldering under the ashes of despair.

In every revolutionary process happening in Latin America in recent years—from Nicaragua to El Salvador, from Guatemala to Mexico—one can detect, sometimes visibly, sometimes not, the influence of "guevarismo." Che's legacy lives in the collective imagination of the fighters and in debates about the methods, the strategies, and the nature of their struggles. His message is a seed that in the last 30 years has taken root in the political culture of the Latin American left, growing branches and leaves, bearing fruit. Or as one of the red-dyed threads that, from Patagonia to the Río Grande, is woven into the fabric of dreams, utopianism and revolutionary actions.

Are Che's ideas outmoded? Is it now feasible to transform, without a revolution, Latin American societies, where regional oligarchies have encroached the political power for centuries, monopolizing its resources, its wealth and weapons, in order to exploit and oppress? Such a suggestion has been made in recent years by some theoreticians of the Latin America "realistic" left, starting with the talented Mexican journalist and writer Jorge Castañeda, in his latest book *La utopía desarmada* (*The Unarmed Utopia*, 1993). Shortly after the book's release, however, an Indian uprising took place in Chiapas, Mexico, under the leadership of the armed utopians of the Zapatista National Liberation Army (EZLN), whose most prominent leaders trace their origins to "guevarismo."

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It is true that, unlike traditional guerrillas, the Zapatistas do not want to seize power, but rather to transform the Mexican social and political system by catalyzing the self-organizing action of their country's civil society. Yet if not for their January 1, 1994, armed uprising, the Zapatistas would not have become the powerful symbol they are today for the victims of neoliberal politics, not only in Mexico but in all of Latin America and the world.

Oddly enough, in a recent article in *Newsweek*, Jorge Castañeda himself has begun to wonder whether in Latin America it is at all possible to redistribute wealth and power and change its ancestral social structures through democratic methods. If by the end of the century, Castañeda says, this task shall remain as daunting as before, we may find that, "Guevara had a point after all."[1]

Che was not just a heroic combatant. He was also a revolutionary thinker, a harbinger of a political and ethical project for which he fought and died. The philosophy that gives cohesiveness, color and warmth to his ideological thrust is a profound and original revolutionary humanism.[2] For Che, the true communist, the true revolutionary is one who regards the greater problems of mankind as his own personal problem; one who "feels deeply troubled every time a man is killed, anywhere in the world; and is filled with great joy whenever the flag of liberty unfolds anywhere in the world." His internationalism, in addition to a way of life, a secular faith, a categorical imperative, and a spiritual abode was the most original, purest, combative and concrete expression of this revolutionary humanism.[3]

Che often quoted a phrase coined by Martí that summarized 'the true colors of human dignity'. "All true men," Martí said, "must feel a sting when another man is slapped in the face." His struggle to achieve this kind of dignity was the driving force behind all of his actions, from the Battle of Santa Clara to his final desperate gamble in the mountains of Bolivia. Perhaps his attitude comes from *Don Quixote*, the novel Guevara read atop the Sierra Maestra and taught in his classes of literature among peasant recruits, as well as the hero with

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whom he identified ironically in his last letter to his parents. Yet not even then does he stray from Marxism. For wasn't it Marx who said, "The proletarian needs his dignity more than he needs bread."

Che's humanism was no doubt Marxist, but his was an unorthodox type of Marxism which differed radically from the dogmas found in Soviet booklets or in the "structuralist" and "antihumanist" interpretations that emerged in Europe and Latin America in the mid-1960s. If Che shows such great interest in the young Marx of the *Economic and Philosophic Manuscripts of 1844* it is because that work concretely suggests "that man is an individual being, whereas the problems of his liberation belong in the social being," stressing the relevance of the struggle of human consciousness against alienation: "Without this type of consciousness enveloping man's social being, communism is not possible." With great sensitivity, Che also discovers this humanistic outlook in *Das Kapital*: "The magnitude of this monumental achievement of human intelligence is such that we are often oblivious to the profoundly humanist (in the best sense of the word) nature of its interests. To a certain extent, the mechanism of the relations of production—and its most obvious consequence, i.e., class struggle—conceals the fact that it is man who peoples history."[4]

Mortal enemy of capitalism and imperialism, Ernesto Guevara dreamed of a world of justice and liberty, where men would cease to prey on other men. The human being of this new society who Che called the "new man" or the "man of the 21st century" would be an individual who, after breaking the shackles of alienation, would bond with his neighbors in true solidarity and concrete universal brotherhood.[5] This new world must be a world of socialism. Che's famous remark in his "Letter to the Tricontinental" (1967) is very much apropos: "No other alternatives are left, either a socialist revolution or a travesty of the revolution."

Although Che never elaborated a finished theory of the role of democracy in the socialist transition, perhaps his works' biggest shortcoming, he rejected authoritarian and dictatorial conceptions that did so much damage to this

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century's socialist beliefs.[6] To those who purported that people needed to "be educated" from above, that false dogma sharply rebuffed by Marx in his *Theses on Feuerbach*, i.e., "then who will teach the teacher?" Che responded in a 1960 speech: "The first step to educate the people is to introduce them to the revolution. Never pretend you can help them conquer their rights by education alone, while they must endure a despotic government. First and foremost, teach them to conquer their rights and, as they gain representation in the government, they will learn whatever they are taught and much more: with no great effort they shall soon become the teachers, towering above the rest." In other words, the only pedagogy that is liberating is one that enables people to educate themselves through their revolutionary practice or, as Marx put it in the *German Ideology*, "in revolutionary activity, personal change coincides with a modification of conditions."[7]

Though Che's ideas on socialism and democracy were still in flux at the time of his demise, an increasingly critical stance against Stalin's successors and their "actually-existing socialism" was evident in his speeches and writings. In his famous February 1965 "Speech at Algeria," he called upon those countries that considered themselves socialist to "liquidate their tacit complicity with exploitative Western nations" that maintained unequal trade relations with those peoples who had waged a war against imperialism. For Che, "socialism cannot exist without a change in consciousness that will bring about a more brotherly disposition toward humanity, both at the individual level in those nations where socialism was being, or had been, built—and at the world level, with all the nations that are victims of imperialistic oppression."[8]

In his March 1965 essay, "Socialism and Man in Cuba," Che scrutinized the socialist models prevalent in Eastern European countries and, always from a humanistic and revolutionary standpoint, he repudiated those notions that purported to defeat capitalism by relying on its own fetishes. "In pursuing the Quixotic goal of building socialism by resorting to worn tools inherited from capitalism—merchandise as the

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cell of the economy, profitability, individual material interest as an incentive, etc.—we may find ourselves in a dead end.... To build Communism while strengthening society's material foundations we must create a new man."[9]

One of the greater risks inherent in the Soviet model is the toleration of increasing social disparities and the emergence of a privileged stratum of technocrats and bureaucrats. Under such a system of rewards, "it is the managers who increasingly are earning more. A quick glance at the recent project of the German Democratic Republic reveals the relevance attributed to the manager's role—better yet, his earnings, for his performance."[10]

Socialism in America, said José Carlos Mariátegui, can neither be copy nor imitation, but heroic creation. That is precisely what Che, while refusing to copy the models imported from "actually-existing socialist" nations, tried to do. He sought instead new roads to socialism, roads that would be more radical, more egalitarian, more brotherly, more humane, and more consistent with Communist principles.

October 8, 1967 is a date that will stand eternally in the millennial march of oppressed humanity toward its own emancipation. Bullets may kill a freedom fighter, but not his ideals. These will continue to live on, provided that they take root in the minds of those generations who will resume the struggle. That is what the wretches who slaughtered Rosa Luxemburg, Leon Trotsky, Emiliano Zapata, and Che Guevara, discovered, much to their frustration.

After the demise of so-called "actually-existing socialism," the neoliberal faith and its obsessive worship of money stand supreme, in stark contrast to the society Che dreamed of and fought for. But for those who reject the pseudo-Hegelian notion of the "end of history" with its primal belief in the eternal nature of capitalist exploitation, as for those who condemn the heinous crimes generated by this system and the imperialist New World Order's exclusion of the people of southern nations from the global polity, Che's humanist revolutionary outlook remains a window opened to a future of a different sort.

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NOTES

1. Jorge Castañeda, "Rebels Without Causes," *Newsweek*, January 13, 1997.
2. I attempted to analyze the philosophical ideas of Che in my book, *El Pensamiento del Che Guevara* (*The Thought of Che Guevara*), Mexico, Siglo XXI, 1971.
3. E. Che Guevara, Obras 1957-1967, *La Habana, casa de las Americas*, 1970, Vol. II, pp. 173, 307. Also see p. 432: "The Cuban revolution ... is a revolution with humanistic features. It shows solidarity with all the oppressed peoples of the world." Or as Roberto Fernández puts it in a simple yet lyrical way: Che "was not concerned about staying up to date; his concern was to contribute the bulk of his knowledge to the high noon of justice. And justice asked him to bond with the wretched and the offended, to throw in his lot with the poor of the Earth." "El Che, imagen de pueblo," *Contracorriente*, La Habana, Dec. 1996, n 6, p. 4.
4. "Sobre el sistema presupuestario de financiamiento." 1964, *Obras*, Vol. II, p. 252.
5. Although in his works Che uses traditional language in referring to "man," this does not mean that he was in cahoots with the patriarchy. In his March 1963 speech, years before this became a hot issue, he denounced the coarse discrimination against women that persisted in Cuba. "What does this mean? Simply that the past still weighs upon us that the liberation of women is yet unfinished." *Obras*, Vol. I, p. 108. Also read the clarifying points made on this by Luis Vitale in his book *Che, una pasión latinoamericana*, Buenos Aires, Ediciones Al Frente, 1987, pp. 64-68.
6. Fernando Martínez Heredia is right to note that, "What is unfinished in Che's thought ... has a positive side. The great thinker is still there, pointing out problems and indicating alternatives, showing ways, demanding his brothers and sisters to think, study, and combine practice with theory. When one truly adopts his ideas, it is impossible to turn them into a dogma, or fodder for speculators, or a quick reference book of clever phrases." "Che, el socialismo y el comunismo," in *Pensar el Che*, Centro de Estudios sobre America, Editorial José Marti," La Habana 1989, Vol. II, p. 30. Also see Martínez Heredia's book under the same title, *Che, el socialismo y el comunismo*, La Habana, Premio Casa de las Americas, 1989.
7. E. Che Guevara, *Obras*, Vol, II, p. 87.
8. E. Che Guevara, *Obras*, Vol, II, p. 574.
9. E. Che Guevara, *Obras*, Vol, II, p. 371-2. Also read the famous interview with French journalist Jean Daniel in July 1963. "I am not interested in economic socialism without Communist principles. We fight against misery, but also against alienation.... If Communism overlooks the acts of consciousness it may well be a system of redistribution but hardly a revolutionary ethic."
10. E. Che Guevara, "Le plan et les hommes," *Oeuvres*, Vol. VI, Paris, Maspero, 1972, *Text Inedits*, p. 90.

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LATIN AMERICA: THIRTY YEARS AFTER CHE

by JAMES PETRAS

In the decade preceding Che Guevara's death and in the three decades following, revolutionary politics has ebbed and surged in four great waves. Revolutionary politics reflects regional variations in different historical moments, following diverse strategies and drawn from distinct social bases. The figure and ideas of Che Guevara have been influential and prescient in shaping the revolutionary debates and understanding their potentialities. Too many observers and commentators have taken a shortsighted view in their critical evaluation of Che's ideas and projections. For example, Che's decision to embark on a guerrilla project in the Congo (Zaire) has been described as a "failure," a "mistake," etc. Yet on the 30th anniversary of Che's death, after many turns and twists in the struggle, the U.S./French puppet regime of Mobutu was finally overthrown, precisely by a guerrilla army, led by one of the revolutionaries with whom Che collaborated. The premature judgments of pundits and armchair revolutionaries have been refuted by living historical experiences. Thus among the issues to be considered when analyzing Che Guevara's theory and practice of revolution are the time frame, the location and the political-economic context (at national, regional, and international levels).

James Petras teaches Sociology at the State University of New York at Binghamton. He is co-author of the book *Neoliberalism and Class Conflict in Latin America* (Macmillan, 1997).

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Critics have harped on Che's error in engaging in guerrilla warfare in the southern Bolivian countryside in the mid-1960s. The decision to engage in guerrilla warfare at that time was premised on Che's belief that the U.S. war in Vietnam was a favorable moment to launch "two, three, many Vietnams." He correctly observed that the United States was unable to win in Vietnam, was massively over committed, and that the U.S. public was becoming disenchanted with overseas commitments. He further understood that the heroic Vietnamese victories were inspiring oppressed people everywhere, showing that "subjective" forces (organization, consciousness) could overcome objective factors like superior arms and technology. Che further knew that Bolivia had a revolutionary tradition, a very advanced working class and an unpopular dictator. Thus his international understanding of the propitious movement and his analysis of national political realities were accurate. What was mistaken was the tactical location and particular style of implementing revolutionary politics (in an underpopulated region divorced from the revolutionary classes, dependent on unreliable groupings).

Subsequent to Che's assassination, events vindicated Che's global analysis as well as his comprehension of the maturing subjective conditions. Vietnam did temporarily undermine Washington's capacity for massive military intervention thus facilitating the overthrow of U.S. clients in Iran, Ethiopia, Nicaragua, and Grenada. In the immediate aftermath of Che's death, a new revolutionary subjectivity did emerge in Latin America that was largely centered in the Southern Core and that took diverse political expressions. What needs to be emphasized is that the relationship between Che and revolutionary politics in the last 40 years (1957-97) was complex and profound. To understand this relation it is important to situate Che's thought and practice in the successive revolutionary cycles, and to identify his key political concepts and analytical ideas and how they relate to the ongoing revolutionary processes in Latin America, sorting out the ideas that have held up over time from those that were tied to

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particular experiences. The concluding section will argue for the continuing relevance of Che Guevara's ideas as well as the significance of his person as a "role model" for revolutionary practitioners today.

Revolutionary Cycles in Latin America

Che Guevara's revolutionary practice and thought evolved in close relationship to the larger revolutionary processes in Latin America. He was part of the 1950s generation which was witness to the defeats and failures of the reformist electoralist political movements of their day. Che was in Guatemala when the CIA engineered the overthrow of the reformist Arbenz Government. He was knowledgeable about the overthrow of the Peronist Government in Argentina, and was acquainted with exiles from Peru and Colombia who had experienced the failures of the "democratic left"[1] (Haya de la Torre in Peru, Grau in Cuba, Gaitanismo in Colombia) to confront the dictatorial regimes and U.S. imperialism. Two "co-ordinates" shaped the 1950s generation of which Che was a key member: the over-determined nature of U.S. exploitation (political and military dominations as well as economic exploitation) and the historic failure of "reformist" electoral strategies and political movements to confront the emerging liberal order promoted by Washington. Having failed to challenge the U.S. model, many of the "democratic left" began to adapt to it and accept U.S. hegemony.

The generation of the 1950s thus had to create new organizations and new methods of struggle and innovative programs to confront the emerging new liberal order. Thus began the first of four waves of revolutionary politics that swept different regions and countries over the next four decades. For schematic purposes these four waves can be identified as follows.

Wave One: 1959-1967. From the Cuban Revolution to the Assassination of Guevara.

Wave Two: 1968-1976. The massive popular uprisings in the Southern Cone and Andean Countries to the Military Coups.

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Wave Three: 1977-1990. The rise of Central American revolutionary movements, the Sandinista revolution to the Peace Accord and electoral defeat.

Wave Four: The new socio-political revolutionary movements among the peasants, Indians, and provinces of Latin America.

Wave One 1959-1967

The victory of the Cuban Revolution marks a break off point between the failure of the "democratic left" of the 1950s and the emergence of a new revolutionary subjectivity in Latin America, of which Che Guevara and Fidel Castro became the leading exemplars.

Parallel to the Cuban Revolution in Peru, Venezuela, Brazil, Colombia, Guatemala, and later in the Dominican Republic, Chile, Nicaragua, Uruguay, and Mexico, a new rebellious generation began to take form, breaking with the reformist parties, taking root in the countryside and the overcrowded cities, and becoming an integral part of new revolutionary movements. In large part the universities (students and professors), the peasantry, and sectors of the urban salaried classes played a preponderant role in the formation of this first wave. It is important to note that this was *parallel* to and *convergent* with the Cuban Revolution. The roots of the Latin American struggles were found in *common opposition* to dictatorships, liberal economic policies, growing social inequalities, and the failure of conventional electoral politicians to stem the tide. The later labels "castrista" and "guevarista" were tagged on movements that had their origins prior to or parallel with the Cuban Revolution and which later converged with the thinking and practices of the Cuban Revolution. Thus Che Guevara became the *prototype of a new revolutionary generation*, embodying thinking and practices that extended over a substantial part of the generation. The *autonomy* of these movements is a crucial element in understanding their rapproachment with Che: they freely came to acknowledge his authority without material incentives or political impositions, but on the basis of a common revolutionary perspective.

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The fundamental political and theoretical coincidences between Che and this first wave (as well as later waves) of revolutionaries was their recognition of the centrality of political consciousness—subjectivity—in creating revolutionary conditions. This perspective was in conflict with the existing Communist and Social Democratic Left which argued for the "maturing" of economic conditions, i.e., the extended reproduction of capitalism over a long time, leading to the formation of a majoritarian wage working class which they subsequently would claim to lead in socialist transformation. This perspective argued that a social revolution was not on the agenda, rather they proposed an electoral alliance with the national bourgeoisie to create the objective conditions from which a future revolution would emerge.

Against this, Guevara and the new revolutionaries argued that under Latin American conditions, imperialism had already created class and national relations of exploitation and oppression that could form the basis for revolutionary struggle. Needed was political intervention and education to create the revolutionary subject which was the basic condition for social revolution. The emphasis of Che revolved around the question of imperialism as the key to understanding the constraints on social and economic development, the limits of bourgeois alliances, and the ineffectiveness of electoral processes. Thus Che and his generation emphasized "voluntarism," the capacity of human subjects to "make" history and not simply to respond to impersonal market forces.

The fact that Che and the Cuban Revolution took place 90 miles from the United States and was successful in defying and defeating U.S. intervention gave a tremendous impetus to the subjective or voluntarist tendencies in the revolutionary left in Latin America. One of the main tenets of the reformists was that because of Latin America's proximity to the United States, because it was in the "historic sphere of influence," and because of U.S. military intervention, because of these "objective realities" a social revolution could not succeed. The success and resistance of the Cuban Revolution, based on its revolutionary mobilization, organization, and military, enor-

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mously strengthened the arguments of the voluntarists among this first wave of Latin American revolutionaries. This voluntarism was later codified in Che's revolutionary writing which "returned" back to influence Latin American revolutionaries, carrying the weight and moral authority of the Cuban Revolution. Che's voluntarism also resonated with a new revolutionary generation emerging in Europe (France, Italy, and Germany) and the United States, along with the Chinese Cultural Revolution's initial attack on bureaucratic order in China.

This first wave of Latin American revolutionaries consolidated the revolution in Cuba, suffered a series of setbacks in several countries (Peru, Venezuela, Brazil), and continued the struggle in others (Colombia, Guatemala). More important, the revolutionary process re-emerged in different countries on a wider and more popular scale.

The Second Wave: 1968-1976

Che Guevara's death in Bolivia was not the end of a "revolutionary adventure" in Latin America as many academics and journalists have written. Rather it was the prelude to a new and more powerful wave of revolutionary activity. The second wave drew on Che's analysis and projections, even as the specific settings, organizational forms, and tactics differed from his original formulations. In Bolivia, a cycle of mass mobilizations from below and a nationalist military junta combined to set the stage for one of the most radical legislatures in the history of Latin America—the Popular Assembly—where peasants and worker delegates formed the vast majority. This development took place just three years after Che's assassination in the very country with which his critics had announced he had mistakenly become involved. The problem was that the revolutionary legislature functioned as a parallel government to the reactionary military. If Guevara's force had arms without mass support, the popular legislature had mass support without arms. The result was a military coup which dissolved the legislature and initiated a period of mass repression.

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In Peru in 1967 a similar radicalization took hold, beginning with nationalist military officers who proceeded to ignite a mass movement that carried over into the late 1970s. In Argentina a major popular uprising, the so-called Cordobazo, set the stage for a series of major urban insurrections, the growth of significant urban guerrilla movements, and the emergence of a radicalized nationalist and socialist mass movement. In Chile the combination of urban and rural mobilization resulted in the election of a Marxist President and the beginning of a social transformation. In Mexico and Uruguay mass urban movements and the emergence of guerrilla organizations called into question the existing right-wing regimes.

These developments on a continent-wide basis confirmed Che's analysis that conditions in Latin America were maturing for social revolution. The strategic defeat of U.S. imperialism in Vietnam caused Washington to rely increasingly on covert operations and the Latin American military and secret police, as counters to the revolutionary advance.

The post-1967 period was thus marked by the emergence of new revolutionary actors (the urban working classes of Argentina, Bolivia, Uruguay, and Chile) and revised political strategies (electoral politics, urban guerrillas, and mass struggles). The underlying concepts that informed these processes derived from Guevara's perspective. Che's ideas about direct imperialist intervention, the maturing of objective conditions, and the necessity of social revolution, played a major role in shaping the politics of the second wave.

At the same time Che's ideas competed with other currents of thought (populism, electoralism, and militarism) that limited the capacity of the revolutionary left to resist the bloody counter-revolution that ended this wave by the mid-1970s.

The Third Wave: 1977-1990

The repression that was unleashed by Washington and its military and ruling-class allies reached unprecedented levels. Massive killings, tens of thousands arrested and tor-

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tured, several hundred thousand forced into exile. The main revolutionary forces that remained with fighting strength were the FARC in Colombia and guerrilla groups in Guatemala.

It was not long, however, before a new set of protagonists took center stage, this time in Central America. In Nicaragua, the Sandinistas overthrew Somoza and proceeded to establish a radical nationalist democratic regime. In El Salvador and in Guatemala mass popular mobilization surged forward only to meet with massive state terror, which in turn augmented the forces of the guerrilla movement. In Brazil the first massive metal workers' strikes led to the formation of an autonomous class unionism in the industrial suburbs of Sao Paulo, the major industrial city of Latin America. By the mid-1980s renewed mass movements, particularly in the shanty towns of Santiago, mounted a severe challenge to the Pinochet regime, and a new urban guerilla group called the Manual Rodriguez National Front emerged. The third revolutionary wave rose in the wake of the defeat of the United States in Indochina, explaining in part Washington's incapacity to intervene directly with its own military troops. Che Guevara's brilliant analysis of the likely consequence of a defeat in Vietnam on U.S. policy was vindicated in Nicaragua. The successful guerrilla strategy in defeating Somoza and the advance of the FMLN in Salvador and the guerrillas in Guatemala demonstrated that Che's revolutionary perspective retained its relevance.

The advance of the revolutionary process in Central America and the re-emergence of mass opposition to the military provoked a serious re-thinking of strategy in Washington. With the co-operation of the liberal bourgeoisie and an army of subsidized ex-leftist intellectuals, a new political formula for protecting the socio-economic order and deepening imperial penetration was put in place: what came to be known as "a negotiated transition to democracy."

The neoliberal policies which began under the military were deepened and extended by new civilian electoral regimes. The state apparatus and judiciary of the dictatorships remained intact, exonerated of their crimes by special laws granting amnesty. By the late 1980s most of Latin America was

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ruled by civilian regimes sharing power with the military and Washington. More dramatically sectors of the former revolutionary left joined with the new Washington orchestrated consensus: the Chilean Socialists and sectors of the MIR allied themselves with the neoliberal Christian Democrats; the MIR of Bolivia ruled in alliance with the ex-dictator Banzer; many ex-guerrillas supported Alfonsin and then arch neoliberal Menem. The Sandinistas signed an agreement with the U.S. client President Chamorro; even the FMLN and the UNRG signed Peace Agreements with the right-wing regimes effectively renouncing radical social transformation. Nevertheless the collapse and accommodation of the third wave revolutionaries and their rejection of Che's revolutionary critique of imperialism and capitalism did not alter the basic socio-economic realities of Latin America. On the contrary, conditions worsened throughout the continent as debt payments drained resources, privatization led to enormous wealth and unemployment, export strategy undermined peasant production. The "over-ripe" objective conditions and the emergence of a new generation of revolutionaries, revitalized Che's vision of a revolutionary transformation based on extra-parliamentary struggle.

The Fourth Wave 1990-2000

The electoral defeat of the Sandinistas in 1990 and their assimilation into bourgeois politics symbolized the end of the third wave of revolutionary politics. No such dramatic signpost symbolizes the emergence of the fourth wave. Yet new revolutionary movements are emerging throughout the continent. In Brazil the Landless Rural Workers Movement, which applies class analysis and a direct action approach to agrarian reform, is building a mass movement that is challenging neoliberal hegemony. In Colombia the FARC and to a lesser degree the ELN have expanded their influence throughout the countryside. In Mexico the Zapatistas in Chiapas, the EPR in Guerrero and other states, the revolutionary peasant movements in Oaxaca, give substance to the idea of the rebirth of revolutionary politics. In Bolivia thousands of coca farmers

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and peasant organizations have been in the forefront of the struggle against U.S. intervention, and are leading the anti-imperialist struggle. In Ecuador the mass extra-parliamentary forces have played a decisive role in shaping politics even electoral processes. Likewise in Paraguay, the Peasant Federation is led by revolutionary socialist peasant leaders. In Guatemala the *CUC* and in El Salvador the *Alianza Democratica Campesina* have organized peasants to continue the revolutionary struggle for agrarian reform in the post "Peace Accord" period.

It would be a mistake to associate Che Guevara exclusively with "armed struggle" and "guerrilla warfare" and thus see the fourth wave as a distinct rupture with Che's revolutionary practice. In fact, there is a very profound continuity with Guevara's conception of revolution and the emerging new movements.

Several points of coincidence need to be noted: 1)The utmost importance of political education in preparing the exploited classes for their self-emancipation. 2) The importance of direct action, land occupations, liberated zones and the like. 3) The recognition of the centrality of the anti-imperialist and agrarian struggles. 4) Rejection of alliances with the bourgeoisie and the subordination of the popular struggle to electoral contests. 5) The centrality of class politics. It is no coincidence that many of these movements *consciously* see themselves as inspired by Guevara, his practice and teaching. His picture displayed in offices and classrooms is not merely a tribute to a revolutionary martyr but to a forerunner of the "spirit" of the new times.

The essence of the new politics is the formation and elaboration of theory and strategy as a continuing process—a living re-invention of the Marxist categories of "class struggle" and "class politics" in a changing context. As with Che, Marxism is something one studies, key analytical concepts extrapolated and then adapted to and modified by practical experience. Neither Che nor the new revolutionary movements operate with an elaborate and intricate theoretical framework, nor are they merely improvisers of ideas in the

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course of taking action (action first, theory later). Rather they start with certain basic tools of class analysis, and then apply them to the concrete realities of the countries in the course of developing social action. The "applied Marxism" thus has a very strong empirical content (not Utopian visionary or abstract) built on the concrete nature of the social groups (Indians, peasants, etc.,) with which the movements are engaged. Like Che, the new revolutionary groups reject the mechanical determinism and "stage" theories that have become fashionable with the ex-leftists and ex-guerrillas now engaged in electoral politics. Like Che the new movements refuse to subordinate the mass struggle to "consolidating democracy"; they do not accept the ideological leadership of the ex-leftists as they turn from social transformation to "modernization." Like Che they see social equality and the end of exploitation as the key elements accompanying the development of the productive forces.

Both Che Guevara and Fidel Castro believed that "you cannot build socialism with dollar signs in people's eyes." Likewise, the MST, the Zapatistas and other sectors of the fourth wave share the belief that the means determine the ends, that ethics and ethical behavior of the leaders and activists are prototypes of the new society. The emphasis on social solidarity and social values that was so central to Che's thinking and practice is evident in the modest life style and equalitarian and spartan conditions of the leaders and cadres of the fourth wave.

No doubt there are differences in concept and practice between Che and the fourth wave. The new movements build from the bottom up, military activity is more dependent on circumstances. But more than differences in concept, the different practices between Che and today's revolutionary movement is found in the new context. The opportunities in some cases, to organize legally, to build social alliances, and to combine forms of struggle; the recovery from the massive state terror and the U.S. capacity to intervene militarily. The conditions most resembling Che's time are found in Colombia, Peru, and Mexico—dictatorial regimes ruling under cor-

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rupt and venal electoral facades, in which state terror and militarization are accompanied by deep penetration of imperial military and economic institutions. For the rest, at least in the immediate context, political conditions favor different styles of politics even as the movements continue to develop in the revolutionary spirit of Che's practice.

Conclusion

Che Guevara's politics reflect as well as synthesize a generation's political thought and practice. But that thought and practicem particularly its analytical categories and its revolutionary spirit, transcended the particular moment and resonate with each subsequent revolutionary wave. Revolutionary experiences in Latin America reflect ups and downs and shifting regional bases—just like Che's own experiences in Guatemala, Cuba, and Bolivia. The point is not to engage in simplistic "additions" and "subtractions," of providing "global definitions" or realities. Che saw this uneven development as part of a reality in which the crucial problem was to capture the high moments, the moments of maximum advance, and to draw the lessons for the future. Che was not a utopian but a historical materialist. The past had to be analyzed for its use in transforming the world of the present.

While Che was certainly a materialist he also believed that consciousness determines existence: the relationship was premised on the notion that subjectivity and objective conditions were in continual dialectical inter-relation. The tension between subjective action and objective reality was ever present in Che's thinking and practice.

Today's revolutionary movements in Latin America reflect Che's dialectical practice: they reject the pessimists who argue that "globalization" imposed a new neoliberal world order; they create "facts," alternatives that feed and employ the agricultural and urban workers—via co-operatives, popular local initiatives, liberated zones. They seek to define a new economy that deepens and extends local advances and eliminates imperial domination. The new revolutionaries reject the idea that with the "fall of Communism," socialism is dead;

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today their actions are informed by socialist ideas adapted to their communities, their revolutionary constituents, their social realities.

Probably the most significant contribution of Che to the contemporary revolutionary movements was his internationalism. His recognition that imperialism was everywhere organizing the exploitation of every crevice on the earth's soil, intervening militarily in the most remote villages, undermining the most cherished cultural practices. For Che the decision to act in Bolivia was not arbitrary—it was in the heart of the Americas—the point from which revolutionary action would radiate outward toward the rest of Latin America. Tactical miscalculation was transcended by the strategic comprehension of the centrality of an international struggle that was essential in overcoming a rapacious international adversary.

Today's movements are internationalist and moving to create international alliances, networks and organizations. The Zapatistas organize a continuing international network; the MST plays an essential role in promoting the CLOC (Latin American Peasant Confederation). Che's spirit of internationalism is the current revolutionary movements response to imperialism's capitalist globalization.

Thirty years after Che, his revolutionary legacy lives on, in different organizational forms and with a new generation of leaders. Imperial plunder in the form of privatization of public enterprises, the appropriation of natural resources, the employment of cheap labor and the expulsion of peasants from their land has provoked mass resistance; from the provinces of Argentina passing through the fields of Brazil, Bolivia, and Paraguay to the highlands of Ecuador to Indian peasant communities of Mexico, Che is present in the mind and spirit, embodied in the thought and practice of the new revolutionary leaders, who share the dangers and hardships of their militants. The specter of Che hangs over the military barracks, the stockmarkets, the corporate boardrooms. The CIA may have killed the man, but his ideas today are more pervasive than ever in ethics, politics, and culture.

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NOTES

1. The "democratic left" refers to a political grouping essentially tied to the Second International that based its policies on national industry, electoral politics, social reforms, a kind of welfare capitalism that included APRA in Peru, National Liberation in Costa Rica, the Arbenz regime in Guatemala, Bosch in the Dominican Republic, and others.

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A REVOLUTIONARY LIFE

by BILL DOYLE and DOROTHY DOYLE

Jon Lee Anderson, *Che Guevara: A Revolutionary Life A Biography* (Grove Press, 1997) pp 813 $35.00

While Cuba declares 1997 "Ano del 30 anniversario de la caida en combate de guerrillero heroico y sus companeros" (the year of the 30th anniversary of the death in combat of the heroic guerrilla and his comrades), American leftists ponder the meaning of Che as model in the 1960s for the student movement in the United States, for the Black Panthers, and for La Raza Chicano movement. Although dead for years and laughed at by reactionaries as a failure, his bearded image still appears on everything from T-shirts to mud guards on trucks in Latin America. His speeches lived in the mouths of the El Salvadoran and Nicaraguan guerrillas in the 1970s and 1980s, and his words reverberate now in the hills of Chiapas, Mexico.

Journalist John Lee Anderson spent five years in nine different countries interviewing friends and enemies of Che and tracking down previously unpublished documents for this very readable biography. His research makes possible serious discussion of the essential Che, fighter and Marxist theorist

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who disciplined himself to become the model "New Man" necessary to wage guerrilla warfare and make socialism possible:

> I believe in the armed struggle as the only solution for the people who fight to free themselves and I am consequent with my beliefs. Many will call me an adventurer, and I am, but of a different type.... (623-33)

Guevara spelled out this conviction by both word and deed, inevitably separating himself from Soviet leaders who invoked peaceful coexistence. Che criticized the established communist parties of Latin American and Africa which clung to the desperate hope to be safe and socialist; of necessity, they eventually betrayed Che.

The three sections of this book take us from the cradle to the grave with "Unquiet Youth," "Becoming Che," and "Making the New Man." It is, as *Booklist* reports, "a significant history of the turbulent post-Second World War world of Latin America." And it is more. Anderson writes in his introduction, "It seemed clear that if one could unravel the mysteries of Che's life story, one might also shed light on some of the most relevant, but least known aspects of the Cold War era: the Cuban revolution's support for guerrilla movements, and the spawning of proxy wars in the Third World by both East and West."

From his youth Guevara was always personally adventurous. In daring personal exploits he tested the limits of the possible. He absorbed the anti-fascism of his father; on his own he read Freud, Lenin, Bertrand Russell and Neruda. But in the Buenos Aires of Juan and Evita Peron, Ernesto remained on the sidelines. Friends recall him as "observing, listening, sometimes debating, but studiously avoiding any active participation (in politics)."

The young Guevara, with the built-in arrogance of the well-born, traveled on a shoestring throughout South and Central America. For three years he lived among the poor, victims of what he came to see as comprador governments and foreign investors. As a medical student and later a doctor, he methodically kept a journal of his experiences and his reac-

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tions to them. They reveal a growing seriousness, an increasing radicalism.

Che, in company with other young idealists, went to Guatemala in the hopes of seeing socialism in action when Jacobo Arbenz was elected president of Guatemala. They all fled to Mexico City when Arbenz was deposed in a military takeover engineered by U.S. business interests. It was a critical radicalizing moment in Che's life when he realized that United Fruit Company wasn't about to allow *any* elected government to nationalize a portion of its property.

Arbenz' big mistake, Che wrote, was to placate his middle-class allies. When he opted for land reform, he should have organized the army and the people to defend themselves and arrested those who worked for the enemy. "A few shootings" of key conspirators might have stopped the Yankees from inflicting 50 years of hell on millions of Guatemalans.

In Mexico City Che met Raoul and Fidel Castro, both espousing Marxist ideas. When they invited him to join the armed struggle in Cuba, he accepted on the spot.

In "Becoming Che" we spend days, weeks, years in the treacherous Sierra high jungle, learning to ambush Cuban soldiers, learning to accept death, bringing to poor farmers the idea of "land to the People." In the cities dissidents of all stripes—middle-class democrats, doctors, lawyers, small businessmen, illegal Communist Party members—funnel money, guns, and information to the weary fighters in the mountains. Incredibly, those grew from some twenty men to the thousands who marched on Havana in triumph in January, 1959.

Author Anderson understands the complexities of the Cuban conflict. Fidel, like Arbenz, had his own middle-class allies to placate, and they were but one of many elements: peasants, outlaws, communists, trade unionists, students and others who joined the fight against Batista. Throughout the struggle, would-be leaders jockeyed for position to take control when Batista left. One thing was clear: no matter which political tendency gained power, other "revolutionists" were bound to feel betrayed.

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Fidel Castro rested his power not on U.S. interests but on his army and Cuba's peasant and working class majorities. He proved to be the consummate politician, demanding here, yielding there, threatening, placating, promising what had to be promised to carry through a revolution which could delay the inevitable U.S. military attack on the island. Eventually his tactics brought supplies, money and pledges of support even from the Cuban Communist Party which initially rejected cooperation with the upstart insurgents.

Che won Fidel's abiding respect. In spite of fierce asthma attacks that made him helpless, Che was daring, often reckless in battle, always ready to sacrifice his life. He developed a guerrilla ethic: comradeship under fire brings fraternity, a spirit of love and purpose that transforms the ego-ridden individualist human being into the socialist "New Man." "Consider yourselves already dead," he told volunteer disciples. It was the double mission of the guerrilla to fight and to change. To pick up the rifle was to assume both obligations.

Che was tough. *Chivatos* (informers) were a constant threat. Fidel could order the first execution; Che was the man who carried it out and who, on a daily basis, let every revolutionary know he would do it again as an essential duty. After victory, Che met head-on dissidents who cried foul when the new Cuban government nationalized what industry there was, took over plantations and mines and began to give land to the peasants. He personally oversaw the trial and execution of hundreds of "traitors" and spoke openly about how:

> the revolution has to be radical ... to destroy the roots of evil that afflicted Cuba ... in order to eliminate injustice. Those who resist losing their privileges are counterrevolutionaries.

During this early period Castro sent Che overseas to set up trade agreements in Europe and Asia. Later, he headed the newly formed Department of Industrialization and even became head of the National Bank. Che succeeded in all these jobs, helping to transform Cuba from the playground of U.S. gangsters to an austere experiment in socialism. Convinced that the revolution would fail without international support,

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Che became the architect of the alliance whereby the Soviets bought Cuban sugar—although he later questioned increasing Soviet influence over the Cuban economy.

Expecting U.S. invasion and assassination attempts, Che solicited arms for defense from around the world. But being a bureaucrat was not enough. He wrote to his mother, "I have an absolutely fatalistic sense of my mission which strips me of all fear." His goal was to initiate revolutions everywhere. As a seasoned guerrilla fighter, he led a small military force into Africa—a fiasco—and then led a group of insurgents into Bolivia. He hoped eventually to establish a *foco* in Argentina.

Che organized his last public speech (at the "Second Economic Seminar of Afro-Asian Solidarity," Algeria, February, 1965) around international socialist solidarity. He openly challenged the socialist powers to commit to this principle.

> There can be socialism only if there is a change in man's consciousness that will provoke a new fraternal attitude toward humanity on the individual level in the society that builds or has built socialism and also on the world level.... How can 'mutual benefit' mean selling at world market prices goods that cost unlimited sweat and suffering to the backward countries and buying at world prices machines produced in the large automated factories of today?

Che considered such practices "immoral." Established socialist powers should not profit from third world need but underwrite the cost of transforming underdeveloped nations into socialist societies. Because of his open advocacy of armed revolution, Moscow accused Che of following the "Maoist" line and even of espousing theories of the hated Trotskyites. On his part, Che was deeply disappointed to see the class nature of Soviet society which fifty years after the revolution afforded special privileges to government and party officials.

The Soviet rationale was that caution and compromise were necessary in order to avoid nuclear war, to save millions in New York, Moscow, London and Shanghai from incineration. Che could not accept that these tactics also condemned hundreds of millions of others to generations of wretchedness, hunger and terror.

Anderson does not believe in the alleged contradictions between Che and Fidel. Given first access to relevant Cuban

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archives, he reveals Fidel's close collaboration with and support of Che's guerrilla missions. The determining conflict in Che's life as a socialist was not with Castro but with Soviet half measures which did not include changing values as well as property relations.

After intensive consultation with Fidel, Che determined to spend the rest of his own life as a guerrilla fighter in Africa and South America. His last years clarified the conflict between socialist values and the possessive individualism of western and Soviet "personifications of capital." Castro gave what support was possible while focusing on the always daunting task of maintaining socialism in Cuba.

It is the fashion to portray Che as romantic and capricious. Anderson gives a more measured reading, placing Che's last years in Africa and South America in a different perspective. He says in his forward, "my sole loyalty is to Che Guevara himself; to write what I perceive to be his truth, not anyone else's."

Che knew no revolution was spontaneous but the result of armed *focos* like those in the Sierra Maestra of Cuba. However, he had come to believe that without socialist revolution on the three continents of Asia, Africa and South America, no revolution would endure. His last desperate efforts may testify to the romantic adventurism of his nature; they also reflect his mature conviction that the hour was very late, but that if enough people transformed their consciousness and committed their lives, armed revolution might still be possible. He was prepared to fail. He wrote in his farewell letter to Fidel, "one lives or dies in a revolution (if it is a real one)."

Che's implacable anti-imperialist outlook told him that once having understood the nature of imperialism, every decision made, from that point on, was either to advance the struggle or betray it. He had the bottomless optimism always to be certain that the struggle was worth his life.

Anderson has uncovered in absorbing and troubling detail the heritage of a remarkable man. Sartre's judgement was that "Che was the most complete human being of our age."

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DO MAQUILADORAS MATTER?

by DAVID L. WILSON

While English words have been flooding into Spanish for most of the century, a few words have gone in the opposite direction. Over the past decade working people in the United States have started hearing more and more about 'maquiladoras.' Originally from the Spanish for "multure," a fee for milling grain, the word has come to mean an assembly plant, and especially the sort of plant that dominates the Mexico-U.S. border, where for the past thirty years Mexico has given U.S. and other foreign companies tariff breaks on goods imported for assembly in Mexico.

In other words, maquiladoras are the runaway shops that have been taking over assembly work previously done in the United States—providing U.S. employers with a convenient excuse for cutting wages. Any effort to maintain the living standards our parents enjoyed thirty or forty years ago, we are told, will result in our jobs fleeing to Mexico or to still more exotic places like Indonesia and Vietnam. A study published in June 1997 by Kate Bronfenbrenner of the Cornell School of Industrial Relations reports that 60 percent of union organizing efforts in the U.S. manufacturing sector are now met with management threats to close down operations. This is up from 29 percent before the North American Free Trade Agreement (NAFTA) went into effect on January 1, 1994.[1]

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There's considerable exaggeration in these threats, of course. The jobs that leave the United States are for obvious reasons limited to the more mobile industries: textiles, for example, or assembly work for the apparel, electronics and auto industries. The flight of even a large number of plants in these low-paying, labor-intensive industries can only have a limited impact on the overall economy of a first world country. It is true that substantial amounts of U.S. capital are now being invested abroad, but as City College of New York economics professor William K. Tabb notes, "[t]hree-fourths of foreign investment and production by U.S.-based multinationals is in Western Europe, Canada and other high-wage countries." And Doug Henwood editor of the *Left Business Observer* writes that,"In other words, most of the 'globalizing' action is occurring in countries where wage and benefit levels are equal to or higher than those in the United States."[2]

At the same time, three successive U.S. administrations have put a great deal of effort into bolstering the maquiladora sector in adjacent third world regions, despite that sector's apparently limited importance to a country like the United States. The Reagan administration produced the Caribbean Basin Initiative (CBI); NAFTA was a joint venture of the Bush and Clinton administrations; Clinton is now pushing the Free Trade Area of the Americas (FTAA, or ALCA in Spanish), a sort of hemispheric NAFTA. Congress has revived the main features of the Caribbean Basin Trade Security Act, shelved for political reasons in September 1995. The legislation would extend NAFTA-style tariff breaks to apparel stitched in Central America and the Caribbean. The Clinton administration is doing its part with a "No Sweat" campaign to counter the widespread perception of apparel maquiladoras as sweatshops. Clearly Washington feels there's more to runaway shops than idle threats to close down if workers vote to unionize.

The Neoliberal Laboratory

If we want to understand the actual significance of the maquiladora phenomenon, we have to start by recognizing that it can't be separated from what third world leftists have long

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since identified as "neoliberalism"—the package of structural adjustments, privatizations and "free trade" that the first world has been imposing on the third world for the past fifteen years.

The neoliberal project provides various traditional imperialistic ways for the world's elites to enrich themselves, such as looting natural resources through privatization or opening up new markets through tariff reductions. What is new about neoliberalism is a sort of primitive accumulation against capitalist and post-capitalist economic forms—against industrial production for the domestic market, against small-scale capitalist or cooperative agriculture (often the result of agrarian reform), and against the tenuous but crucial social safety net that has developed in many third world countries. Just as happened with classic primitive accumulation, the result has been the creation of a vast labor pool of people desperate for jobs, even at wages below subsistence levels.

Mexico has been a sort of laboratory for the neoliberal experiment ever since the country's 1982 debt crisis. The current recession, which started with the peso devaluation of December 1994, has drawn the world's attention, but the process was under way long before that. The purchasing power of the 7-10 percent of Mexican workers who earned the minimum wage (less than $5 a day at that point) had already fallen by about 30 percent in the comparatively prosperous period from 1987 to 1994.3 The current crisis has brought a more drastic decrease, and not just for the lowest-paid workers. From 1994 to the first half of 1997, Mexicans' real wages lost 26 percent of their purchasing power, according to the Mexican Senate's Commission on Distribution and Management of Consumer Goods; the Mexican Association of Studies for the Defense of the Consumer (AMEDEC) reports that consumption of meat, milk, and chicken fell between 26 and 30 percent during the same period.[4] The formal economy lost 751,041 jobs in the first eight months of 1995, almost exclusively from production for the domestic market, according to Banco de México (Banxico), the national bank.[5] It is not clear how many of these jobs were recovered during the modest subsequent upturn.

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Statistics about the formal economy tend to understate the devastation of *campesino* agriculture, which until recently supported about a quarter of Mexico's population. One indicator of what neoliberalism has done to the *campo* is the estimate that the country imported 10 million tons of grain in 1995, almost double the 5-7 millions tons Mexico had imported in earlier years.[6] Another indicator is, of course, the emergence of at least two rebel armies in the rural areas of southern and central Mexico since 1994.

Mexico is the Caribbean Basin's largest economy, and probably the most resilient. In smaller and weaker countries like Haiti and Nicaragua, the same economic policies translate into unemployment at a rate of more than 50 percent and wages under fifty cents an hour.

Expanding the Global Maquiladora

Common sense tells us that the presence of tens of millions of underpaid and underemployed workers in a region adjacent to the United States will exert a strong downward pressure on U.S. wage scales. The actual flight of jobs to the Caribbean Basin is a relatively small part of the total effect; a more significant factor is probably the flight of Caribbean Basin workers into the United States.

Denied work papers, living under constant threat of deportation, these workers are forced to accept wages far below those paid to their U.S.-born counterparts. There are no reliable figures for the number of "illegal" workers in the United States or their effect on wages. In 1996, Mexico's Colegio de la Frontera Norte estimated that 5 million Mexicans worked in the United States without documents, earning about $30 billion a year, of which they sent $3.6 billion back to family members in Mexico. The Mexican group claimed that these payments were the third largest source of hard currency for Mexico, after $8.423 billion from petroleum exports and $4.924 billion from the maquiladora sector. The number of undocumented Mexican workers in the United States seemed to be growing by about 150,000 a year.[7]

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If these figures are roughly accurate, about 10 percent of the total Mexican work force of 50 million has been transformed into some 3 percent of the U.S. work force, now at about 135 million; these "illegals" average a little more than $100 a week, far below minimum wage. And the situation isn't about to change. With no improvement in the economies of the countries the undocumented workers come from, the ferocious anti-immigrant legislation of 1996 will do little to reduce immigration; its real effect will be to reduce even further the ability of immigrants to fight for better pay and working conditions.

But the magnitude of immigration shouldn't obscure the significance of the closely related maquiladora phenomenon, or its underlying dynamic. Between January and October of 1995—the period in which Mexico's economy lost three quarters of a million jobs—employment in the country's maquiladora sector rose by 20 percent to 648,000, according to the WEFA Group consulting firm. The Mexican National Institute of Statistics (INEGI) reports that the number had risen to 873,748 by April 1997. In 1995 WEFA predicted that the total would reach 943,000 by 2000; that figure now seems conservative.[8] In other words, the Mexican maquiladora sector is expected to have grown by 400,000 jobs—75 percent—between 1995 and 2000. These maquiladora workers get even less than the Mexicans who immigrate to the north. General Motors workers in Reynoso, near the Texas border in the state of Tamaulipas, say they take home about $40 a week.[9]

A reasonable estimate would be that Mexico by itself provides U.S. business with some 5 million undocumented workers and 750 thousand maquiladora employees; these people work at jobs that would otherwise go to U.S. workers at significantly higher pay scales. Mexico also provides a pool of millions of potential competitors for U.S. jobs. Other countries in the Caribbean Basin have a less significant effect on U.S. wage scales than Mexico does, but this will change if the Clinton administration succeeds in its plan to pull the whole hemisphere into a NAFTA-style trade pact.

Even Clinton's super-NAFTA isn't enough for the masterminds of the neoliberal project. Harvard's Jeffrey Sachs,

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the architect of neoliberal policies in Bolivia and Eastern Europe, wants to convert the planet's entire tropical region into a vast maquiladora zone. "[T]he frustrating record of tropical agriculture," he writes in *The Economist,* "may mean that we should begin to accept as normal a situation in which Africa and other tropical regions are fed by temperate-zone exports, and in which the tropics earn their way in the world through manufacturing and service exports rather than primary commodity exports." "My concern is not that there are too many sweatshops," Sachs said at a recent Harvard panel discussion, "but that there are too few."[10]

Globalizing Resistance

The impact of runaway shops on U.S. workers is clearly not as apocalyptic as some people would have us believe; at the same time the maquiladora phenomenon almost certainly exerts a significant and growing downward pressure on U.S. wages. And this is minor compared to the effect the whole neoliberal program is having on the rest of the hemisphere, where the standard of living has fallen precipitously to levels below those of the Great Depression.

In fact, the situation south of the border may well be what matters most about maquiladoras. So far U.S. workers have generally reacted to job flight with a combination of fear, resignation, xenophobia and racism—all artfully exploited by right-populists like Pat Buchanan. The picture is quite different if we look at the rest of the Americas. In January 1997, Haitians shut their country down in a one-day general strike explicitly against neoliberalism; in February, Ecuador's clownish neoliberal president Abdalá Bucaram was ousted by unionists marching under the slogan "More Bread, Less Circus"; a month later, Nicaraguan farmers protested neoliberal agricultural policies by cutting off supplies to the cities for three days; throughout May and June, Argentines blocked highways in the provinces as a demonstration against the neoliberal programs of local governments; June brought renewed protests against Peruvian president Alberto Fujimori, thought by many to be impregnable after the April bloodbath

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in the Japanese ambassador's residence; a general strike closed parts of the Dominican Republic in early July. Meanwhile, center-left parties, most of them created in the last 15 or 20 years, are drawing between 25 percent and 40 percent of the vote in much of Latin America; in July a center-left party won the Mexican capital, the largest city in North America.

Many of the workers who are fighting neoliberalism in Latin America and the Caribbean are eager to work with activists in the north. After all, neoliberalism is an attack on wage scales and living standards throughout the world; it once and for all finishes off the old analysis of imperialism—still clung to by NAFTA apologists and a few leftists—as a system whose benefits trickle down to an aristocracy of labor in the mother countries. Every plant that leaves the United States for the south is one more reason for U.S. workers to identify with workers in the third world—and one more opportunity for these workers to organize together.

NOTES

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BRITAIN'S OPIUM WARS

by JOHN NEWSINGER

It is a little known fact that during the reign of Queen Victoria, the British capitalist state was the largest drug pusher the world has ever seen. The smuggling of opium into China was by the 1830s a source of huge profits, played a crucial role in the financing of British rule in India and was the underpinning of British trade throughout the East. This is one of those little historical details that are often overlooked in the history books where the opium trade is either played down or ignored altogether. Most recently Professor Denis Judd's *Empire*, a 500-page history of British Imperialism has no discussion of either the trade or the wars it occasioned, while the prestigious *Cambridge Illustrated History of the British Empire* has a couple of brief inadequate and uninformative paragraphs, a mere passing mention.[1] The opium trade deserves more attention. It was, in the words of John K. Fairbanks, "the most long-continued and systematic international crime of modern times."[2]

The production of opium in India first came under British control in the course of the eighteenth century. In the 1760s, some one thousand chests of opium (each weighing 140 lbs) were smuggled into China and this figure gradually increased to 4 thousand chests in 1800. By the 1820s the traffic in opium began to increase dramatically with over 12 thousand chests being smuggled into China in 1824, rising to 19

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thousand in 1830, 30 thousand in 1835 and to 40 thousand chests (2,500 tons of opium) in 1838.[3] The British energetically encouraged poppy growing, on occasion coercing Indian peasant farmers into going over the crop. By the end of the 1830s the opium trade was already, and was to remain, "the world's most valuable single commodity trade of the nineteenth century."[4]

The opium trade was of vital importance to British Imperialism at this time. It was one corner of an Eastern triangular trade that mirrored the eighteenth century Atlantic slave trade. The smuggling of opium turned a large British trading deficit with China into a substantial surplus, paying for British tea imports from China, for the export of British manufactured goods to India and for a substantial proportion of British administrative costs in India. The opium trade was "the hub of British commerce in the East."[5]

By the end of the 1830s a sixth of British overseas trade was with China and nearly two-thirds of that trade was in opium. In view of the tremendous importance of the trade, its neglect by economic historians and the historians of the British Empire is all the more surprising.

The Opium Capitalists

The opium trade was clearly not a small-scale affair carried out by small-time crooks and gangsters. Instead, it was a massive international commerce carried out by major British trading companies under the armed protection of the British state. According to Sir William Jardine of Jardine Matheson, the opium trade was "the safest and most gentlemanlike speculation I am aware of." In a good year profits could be as high as $1,000 a chest![6] His wealth was sufficient to buy him a seat in the House of Commons in the early 1840s and to get him the ear of the government.

Jardine Matheson was the most successful of the opium smuggling companies, and is still a major financial and trading company today. Jardine's partner in the enterprise, James Matheson, best shows the use to which the profits from drug pushing could be put. In the 1840s he too became an MP,

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sitting in the Commons for twenty-five years. He went on to become a governor of the Bank of England, chairman of the great P and O shipping line, and the second largest landowner in Britain. He bought the Isle of Lewis in Scotland and spent over £500,000 building himself a castle there!

The import of opium into China was, of course, illegal, but the British companies engaged in the trade systematically corrupted or intimidated the Chinese authorities so that it continued with little interruption. Depot ships were anchored off the coast, selling the drug to Chinese smugglers who carried it ashore for distribution. By the 1830s, the scale of the problem forced the Chinese government to respond: the country was being drained of silver to pay for the opium, its administration was being corrupted by foreigners and the extent of addiction (estimates of the number of addicts go as high as 12 million) was seen as a threat to both state and society. In March 1839, the Emperor sent a special Commissioner, Lin Tse-Hsu to Canton to stamp out the trade once and for all.

Lin confined the British merchants in Canton to the European Factories, holding them hostage until the opium held offshore was surrendered. After six weeks, the Superintendent of Trade, Captain Charles Elliot, capitulated and ordered the surrender of 10,000 chests which the Chinese destroyed. This precipitated the First Opium War.

The First Opium War

Once they had been expelled from Canton, the British established themselves on the island of Hong Kong, which they were determined to hold in the face of Chinese hostility. Meanwhile, the British government responded to Chinese actions by demanding compensation for the confiscated opium, the opening of more Chinese ports to trade, the permanent cession of Hong Kong, the legalization of the opium trade, and that China pay the full cost of the British war effort to enforce these demands. A powerful expeditionary force was despatched to bring the Chinese to their senses, first blockading the coast and then proceeding up the Yangtze river to Nanjing. The British had an overwhelming techno-

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logical superiority that turned every battle into a one-sided massacre. As one British officer observed: "The poor Chinese" had two choices, either they "must submit to be poisoned, or must be massacred by the thousands, for supporting their own laws in their own land."[7]

The British capture of the port of Tin-hai in early October 1841 provides a useful example of the character of the war. The port was bombarded by the *Wellesley* (74 guns), the *Conway* and the *Alligator* (28 guns each), the *Cruiser* and the *Algerine* (18 guns each) and another dozen smaller vessels each carrying ten guns. In nine minutes, they fired fifteen broadsides into the effectively defenseless town before landing troops to storm the ruins. According to one British participant "the crashing of timber, falling houses and groans of men resounded from the shore" and when the smoke cleared "a mass of ruins presented itself to the eye." When the troops landed all they found was "a deserted beach, a few dead bodies, bows and arrows, broken spears and guns...."[8]

The shelling of the town continued as the British troops moved in to rape and pillage. According to the *India Gazette*: "A more complete pillage could not be conceived ... the plunder only ceased when there was nothing to take or destroy."[9] It was during this war that the Hindi word "lut" entered the English language as the word "loot." The taking of Tin-hai cost the British three men while the number of Chinese killed was over 2,000. Close behind the warships came the opium ships.

Were the British aware of the consequences of the trade they were intent on imposing on China? Lord Jocelyn, the military secretary to the expeditionary force, in his account of the war, described visiting an opium den in Singapore while en route to China:

> One of the objects, at this place that I had the curiosity to visit, was the opium-smoker in his heaven; and certainly it is a most fearful sight.... On a beginner, one or two pipes will have an effect, but an old stager will continue smoking for hours ... A few days of this fearful luxury, when taken to excess, will give a pallid and haggard look to the face; and a few months, or even weeks, will change the strong and healthy man into little better than an idiot skeleton. The

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pain they suffer when deprived of the drug, after long habit, no language can explain ... The last scene in this tragic play is generally a room in the rear of the building, a species of dead-house, where lie stretched those who have passed into the state of bliss the opium-smoker madly seeks—an emblem of the long sleep to which he is blindly hurrying.

There can be no doubt of Lord Jocelyn's awareness of the realities of the opium trade, but later in his book he goes on to argue that "however hateful it may appear" the trade is nevertheless "a source of great benefit to the Indian government, returning I have heard, a revenue of upwards of two millions and a half yearly."[10] Put bluntly there was just too much money involved.

At home, the war was strongly opposed in the Chartist press with the *Northern Star* newspaper condemning this "opium war."[11] In the House of Commons, the Tory Opposition put down a motion of censure on the Whig government's conduct. Among those condemning British policy was William Gladstone, whose sister, Helen, was an opium addict. Justice, he declared, was with the Chinese, and "whilst they, the Pagans, and semi-civilised barbarians, have it, we, the enlightened and civilised Christians, are pursuing objects at variance with both justice and religion."[12] In reply, the Secretary of State for War, Thomas Babington Macauley, proceeded to wrap himself in the Union Jack and appealed to the lowest kind of patriotism. He reminded MPs that the opium traders "belonged to a country unaccustomed to defeat, to submission, or to shame," that they had flying over them a "victorious flag" and urged "that this most rightful quarrel may be prosecuted to a triumphal close."[13] Macauley's shabby prostitution of his oratorical talents to the cause of massacre and drug pushing carried the day and the government won the vote by 271 to 262.

When the Whig government finally fell in June, 1841, and the Opposition led by Sir Robert Peel took office, they, in the best traditions of British politics, continued to carry out the very same policy that they had earlier condemned. The war continued until the Chinese were forced to accept British terms, conceding everything except the legalization of opium.

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Public opinion in Britain prevented the pressing of this demand, but it was made clear to the Chinese government that the British would not tolerate any further interference with the trade. The most important gain for the British was the cession of Hong Kong.

The "Arrow" Incident

Relations between Britain and China remained strained. The British wanted the whole country opened up so that China could be incorporated into their "informal Empire," brought under indirect British rule like South America, rather than direct rule like India. The Chinese government was expected to govern the country in the interests of the British and their refusal to do this was bound to provoke renewed war.

The occasion for the outbreak of the Second Opium War was the so-called "Arrow incident" of October 1856. The Chinese authorities arrested a suspected pirate ship, the Arrow, that was registered in Hong Kong. The colony's governor, Sir John Bowring, condemned this as an insult to the British flag, demanded the release of the crew and an apology. The Chinese released the crew, but refused to apologize whereupon Bowring, in a find display of "gunboat diplomacy," ordered the navy to bombard Canton, one of the largest cities in the world. The fact that the Arrow's Hong Kong registration had lapsed at the time of seizure was kept quiet.

Bowring, it is worth noting, was not a diehard reactionary, but one of the leading liberal intellectuals of the day with a European reputation. He was Jeremy Bentham's literary executor, a founder of the Peace Society, a devout Christian (he wrote the hymn "In The Cross of Christ I Glory") and a staunch supporter of free trade. On one celebrated occasion, he managed to combine his religious and economic beliefs with the pronouncement that "Jesus Christ is Free Trade and Free Trade is Jesus Christ." On a more mundane level, he had been employed by Jardine Matheson in the 1840s and, at the time of the Arrow incident, his son was a director of the company. There can be no doubt as to where his loyalties lay. The actions of this upstanding Christian liberal intellectual precipitated

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the Second (1856-58) and Third Opium Wars (1860) that were to cost the lives of thousands of Chinese men and women.

Palmerston's government in London was actually advised by the Attorney General that Bowring's conduct was illegal according to international law, but nevertheless unanimously decided to back him. They were defeated in the Commons on the issue (once again Gladstone spoke condemning the war) and Palmerston responded by calling a general election. He fought a fiercely jingoistic campaign that swept him triumphantly back to power with a majority.

The British were joined by the French in the waging of the Second Opium War. Once again the conflict was little more than a succession of technological massacres accompanied by rape and pillage. The allied forces captured Canton at the end of 1857, but determined to settle with the Chinese government once and for all, Lord Elgin, the British envoy, decided to advance up the Peiho river towards Beijing itself. In May 1858 the Taku forts guarding the mouth of the river were taken and the allied expedition advanced as far as Tientsin where the Chinese capitulated. The Treaty of Tientsin effectively incorporated China into Britain's informal Empire and once the British had withdrawn the Chinese tried to renege on its terms. This provoked the Third Opium War with the British once again taking the Taku forts, but this time proceeding upriver to the military occupation of Beijing in October 1860. Chinese humiliation was complete.

As a reprisal for Chinese mistreatment of prisoners, Elgin ordered the destruction of the Emperor's Summer Palace. Captain (later General) Charles Gordon described how the troops went out to destroy the residence and "after pillaging it burned the whole place, destroying in a vandal manner most valuable property.... Everybody was wild for plunder."[14] Another officer, Lieutenant Colonel Garnet Wolseley wrote that both officers and men "seem to have been seized with a temporary insanity; in body and soul they were absorbed in one pursuit, which was plunder, plunder."[15] The British were particularly annoyed as the French had got the best of the loot!

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The occupation of Beijing compelled the Chinese government to implement the Treaty of Tientsin and to accept its place in the British world order. At last opium was legalized. Although Elgin's official instructions had not mentioned the trade, he had received private instructions to secure legalization. He personally found the whole business repugnant, but there was too much profit at stake for any display of squeamishness.

By the 1860s the British were exporting 60,000 chests of opium to China annually, rising to 100,000 chests (over 6,000 tons of opium) annually in the 1880s. After this the trade began to decline in the face of competition from Chinese-produced opium. Nevertheless it still remained an immensely profitable business for the rest of the century and beyond. The British opium trade with China only finally came to an end in 1917. As for Britain's pre-eminent position in China, this began to come under pressure from rival Imperialist powers before the end of the century and from Chinese revolutionary nationalism in the early decades of the twentieth century but was only finally eclipsed in the 1930s. What remained, up until 1997, was possession of Hong Kong, the last of the spoils of the Opium Wars.

NOTES

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2. John K. Fairbanks, "The Creation of the Treaty System' in John K. Fairbanks, ed. *The Cambridge History of China* vol. 10 Part 1 (Cambridge University Press, 1992) p. 213.
3. Michael Greenberg, *British Trade and the Opening of China 1800-1842* (Monthly Review Press; Cambridge University Press 1951) p. 232.
4. Frederic Wakeman, "The Canton Trade and the Opium War" in Fairbanks, op cit., p. 172.
5. Jack Gray, *Rebellions and Revolutions: China from the 1800s to the 1980s* (Oxford University Press, 1990) p. 27.
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7. Philip J. Maythornthwaite, *The Colonial Wars Sourcebook* (London: Arms and Armour Press, 1995) p. 237.
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9. Jack Beeching, *The Chinese Opium Wars* (London: Hutchinson, 1975) p. 116.
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11. Shijie Guan, "Chartism and the First Opium War," *History Workshop 24* (Autumn 1987) p. 22.
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13. Beeching, op cit, p. 109.
14. Michael Mann, *China 1860* (Salisbury: Michael Russell, 1989) p. 152.
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BOOKS

Invitation to a Feast

by Doug Dowd

Doug Henwood, *Wall Steet: How It Works and for Whom* (New York: Verso, 1997), 372 pp., $25.00.

The feast is there for all who will read this marvelous book. The strengthened understanding it provides is needed most by those left of center. Let's face it: capitalism's rule is stronger and more ubiquitous today than ever; vital among the reasons for that is our analytical malnutrition. However serious that has been regarding hydra-headed U.S. capitalism, it has been arguably at its perilously worst regarding the functioning and role of finance, now the economic system's *capo dei capi.*

Understanding alone does not assure a successful politics, of course; but its absence surely guarantees failure. It is common among us to decry the "false consciousness" of large segments of the working class—among others—as though our own aim is just right. A careful reading of this penetrating and readable book is invaluable in showing us how we must adjust our own sights. This is not to say that the financial system is *all* that must be understood and fought; rather, that because in the past quarter century or so the system's altering needs and possibilities have allowed Wall Street to claw its way to the strategic hot seat of the economy's functioning and power, it is essential for our politics to catch up and deal with that.[1]

Doug Dowd has been a Lecturer in International Economics at Johns Hopkins University School for Advanced International Studies in Bologna, Italy, for over ten years. He has received the Guggenheim and Fulbright Fellowships. He is the author of *Blues for America* (Monthly Review), and *Against the Conventional Wisdome: A Primer for Current Economic Controversies* (Westview/Harper Collins).

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Henwood's work takes us a long way toward understanding the nuts and bolts, structures and processes, and enormous powers of today's financial system.[2] When most of us think of the personnel and activities of "Wall Street," we are so repelled as to react with scorn, arising often as not from disdain, distaste, disgust—much like that of J. M. Keynes when he characterized capitalists as "a congeries of possessors and pursuers," and their activities as resembling those of a gambling casino. However appropriate such "dissing" might be, standing by itself (and Keynes, as Henwood explains, did not leave it at that) it is more likely to allow finance to strengthen rather than weaken its hold over the economy and thus over the society as a whole.

This book has therefore filled a dangerous analytical hole. There have of course been a number of left economists (I am not one of them) who have worked valiantly and usefully on one aspect or another of the financial system since World War II (much of it noted and used in the book).[3] But even taken together their work has not come close to combining all the qualities that make this book a treasure-trove.

Wall Street is both a comprehensive text and a withering critique of finance; it is an extraordinarily deft blend of the particular with the general, of the empirical with the analytical, and of thoroughgoing scholarship, all delivered crisply and clearly. Of the several deeply rewarding components of the book, one (for this old geezer of a prof) is Henwood's ability to illuminate, clarify, and/or criticize contemporary theory, practice, and policy by retrieving appropriate referents and support in Adam Smith, David Ricardo, Keynes and, among many others, most often and most rewardingly (and, these days, surprisingly), Marx.[4]

This most serious but never solemn work is both lightened and strengthened by a wit as unobtrusive and penetrating as a stiletto.[5] And the analysis is much assisted by numerous, timely tables and charts (of the same clarity one finds in his *Left Business Observer*, where many first appeared)—efficient and lucid, transforming matters that are usually dense and chaotic in presentation (if presented at all) into a compelling, logical progression of facts and analyses. Even those who (like myself) have thought they had a good grip on the powers, the absurdities, and the great dangers of the financial system will find that grip tightening as they read this book.

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Let us go then, you and I, to study the menu and savor a few delicacies from the banquet Henwood has placed before us.

After a brief introduction in which Henwood introduces himself and the nature of the beast he is to analyze, the book progresses through seven chapters, presenting first all you need to know about what's being traded, by whom, and their ways and means (chapters one, two, and three—"Instruments," "Players," and "Ensemble," respectively).

The "instruments" of Wall Street are about as numerous as those in a symphony orchestra—including the noisiest, that complex world of "derivatives" (which brought both Baring Brothers and Orange County down). As Henwood escorts us through the world of stocks and bonds, treasuries and munis, futures, and options, we see how finance gains its profits and power by transforming "real" economic activity (that which creates steel, grain, health care, etc.) into paper claims of diverse kinds that become money via processes of varying kinds and degrees of speculation. Aristotle and Aquinas and many others have argued that "money is barren." That may be; what they neglected to add is that the processes concerning which it becomes energized are also dangerous to society's health.

The chapters on "players" and "ensemble" detail those who are doing the dealing—banks, thrifts, brokers, mutual funds, etc.—and the behavior patterns of the various financial markets. The complexities suggested by all that are substantial; suffice it to say that Henwood guides us easily through what is otherwise a daunting labyrinth. Your scorn for the "players" will not be lessened when you read the observations of various financial bigshots. *Item*: "The United States does not have an automatic call on our resources. There is no mindset that puts this country first." *Item*: "To be in business, your first mandate is to make money, and money has no heart, soul, conscience, homeland."[6]

From his valuable elucidation of those complex realities, the book progresses to an examination of reigning theories as to how "the market" works, and some less abstract and more pertinent views (chapters four and five—"Market models" and "Renegades"). The dominant theories, which twirl around each other in outer space, are given well-deserved and well-placed jabs in their imaginary ribs, and the more creditable works of the "renegades" are given something like a gentle pat on the back.

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Then, in chapter six ("Governance"), the book's *raison d'etre*, Henwood gets to his bottom line: who rules over what and how:

> If money is an instrument of control, then financial markets are a lot more than the institutional matchmakers for saving and investment. You can see that clearly by looking at how an owning class's power is asserted over corporations and governments through financial mechanisms. (p. 246)

Which is then probed, and the book gets down to the name of the game: power—or, more usefully, the dynamic relationships among and between profits and power and the private and public spheres. As we quote his concluding paragraph on these matters, keep in mind that earlier (see Ch. 3) Henwood told us the main story about debt (which you'll not learn by studying "economics"): the rise of debt—household, business, public, national and international—has been a giant elevator for redistributing income, wealth, and power upward (along with whatever else has eased that same process):

> Behind a "fiscal crisis"[7] lurked an entire class agenda, one that has been quite sucessfully prosecuted in subsequent crises for the next two decades. But since these are fought on the bankers' terrain, using their language, they instantly win the political advantage, as nonbankers retreat in confusion, despair, or boredom in the face of all those damned numbers.
>
> At the national level, rampant borrowing by the U.S. government throughout the 1980s and early 1990s stimulated a boom for a while, but ended with the austerity packages of the mid-1990s. Tripling the outstanding load of federal debt not only made Wall Street a lot of money—underwriting, trading, and holding the bonds—it greatly increased rentier influence over policy. The opinion of "the markets"—essentially the richest 1-2 percent of Americans and the professionals who manage their money—is now the final word on economic and social policy. Liberals and populists who are sanguine about deficit financing should recall that creditors speak with one voice, and they're able to get things effected. Those effects generally involve enriching the creditors at the expense of everyone else. (p. 297)

Chapter 7—"What is (not) to be done?"—brings the book to a close (except for about thirty pages of statistical appendices and charts and bibliography). After a useful warning of the need to move gingerly over land strewn with mines, a warning grounded in Marxian cautions, Henwood walks us through a good sampling of current policy proposals and realities from across the political spectrum. 1. "Social Security privatization:

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a truly horrible idea." 2. "Democratizing the Fed": a "transformation [that] could succeed only as part of a broader transformation of financial realtions." 3. "Investing socially": it's more likely than not to be coopted. 4. "Taxes: soaking the fat boys": Right on! Henwood identifies many possibilities and their plausibilities, not only despite but because they would "make Wall Streeters scream...." 5. "Transforming corporations"—"[to] a combination of worker, community, customer, supplier, and public control..., technically and politically would be difficult as hell." But the effort must be made.

Probably everyone will be made uncomforable with one aspect or another of the combined critical and constructive treatment of these matters. His discussion of reforms is at one with the analytical chapters preceding it: unblinkingly honest, radical, studiously informed and instructive.

He brings his book to its end with this characteristically unpretentious conclusion:

> Off-the-shelf utopias may be useful thought experiments, but they're of limited political use, except maybe as long-term inspiration. A future society has to emerge out of this one, on the basis of experimentation and struggle. I've outlined the fundamental principles of where I think we should go. Consider these closing pages fragments of a first draft for a project aiming to end the rule of money, whose tyranny is sometimes a little hard to see. (p. 321)

It's a lot easier to see that tyranny now, thanks to this book.

NOTES

1. And not only in the United States, of course. The Masstricht Agreement of 1992 and the accompanying effort to have a common currency—and, thus, common monetary and fiscal policies mandating U.S.-type social policies—signify the same ascendance in Europe, among other areas.
2. It would be more natural for me to say "Doug" rather than "Henwood," for we have a friendly relationship; I am more comfortable with Henwood in this context. Tat friendship began after many years' reading of his monthly *Left Business Observer* (*LBO*), familiar to many *MR* readers. *LBO* serves somewhat the same purpose for the ongoing political economy as *I.F. Stone's Weekly* did for politics during the Cold War—except that, and this is not a criticism of "Izzy" but praise for Henwood, *LBO*'s focus requires deeper digging and more analysis, whether implicit or explicit. Saying this may also serve as a disclaimer: the friendship was an outcome of my growing respect for *LBO*, not vice versa.

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3. Those that come to mind include essays and books by the late Hyman Minsky, Bob Pollin, Jim(s) Crotty and Cypher, Edward(s) Herman and Wolff, Richard DuBoff, David Kotz, Bob Finch and, to close the list nearer to home, the many articles of Harry Magdoff and Paul Sweezy in these pages from the 1970s on.
4. When I first met Henwood, and having become familiar with his work through *LBO*, I asked him—guessing the answer in advance—had he been an econ major in the university. "No," he replied; he had studied literature. I note this not so much to admire his self-taught mastery of the history of economic thought (which I taught for several decades) and the workings of the economy, but to make this point: I am utterly confident that virtually all who have taken a Ph.D. in econ in the past 20-30 years or so, far from having achieved any such mastery, are completely unlikely to have ever read any of the principal figures noted in the text, let alone *any* economic history. What they do study—as touched on by Henwood—is math and, whether they know it or not, ideology. Their cultivated ignorance enables them to be shamelessly arrogant in their pronouncements—a behavior pattern noted long ago by Thorstein Veblen as "a trained incapacity" to understand social realities.
5. As for example, in discussing the incomes in FIRE (finance, insurance, and real estate), which in 1991 exceeded those from manufacturing (and have risen both relatively and absolutely ever since), (p.76) he points out that they are "what makes Manhattan the most income-unequal county in the United States after on in Hawaii that used to be the site of a leper colony." (p. 79)
6. The quotes are on p. 113, the first from an exec of Colgate-Palmolive, the second from a Canadian CEO explaining the shift of his production to Mexico (NAFTA-facilitated).
7. The reference here is to New York City in the 1970s. Its crisis was part of a larger process, for the nation as a whole, and for much—especially the "developing" part—of the world. There, as elsewhere, the crisis was manipulated not only to the advantage of those who benefitted from the processes of its creation, but the politics and consequences of that treatment facilitated the rightward drift (of that city and of the nation).

WANTED: Information on **LEO HUBERMAN**
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A Ruling Class Destroys Its Own Regime

by Stanislav Menshikov

David Kotz and Fred Weir, *Revolution from Above: The Demise of the Soviet System* (Routledge, 1997) 320 pp., $26.95.

David Kotz, a university professor from Amherst, Massachusetts, and Fred Weir, a Canadian journalist and long time resident of Moscow, have published one of the best books yet to appear about what has happened in the former Soviet Union in this last tragic decade. They start with Gorbachev's pretentious "perestroika" and finish with Yeltsin's antisocialist coup d'etat. It is a good book because it is based on a careful, scholarly analysis of a laboriously collected treasury of facts. Unlike most books on the same subject which have appeared in the United States, *Revolution from Above* is both basically sympathetic to Socialism and also completely devoid of any preconceived perception. The book is an honest attempt at what I would call "social anatomy" of the illness that caused the demise of Socialism as it existed in the Soviet Union.

This book is an eye-opener for anyone who is tired of the prevailing wisdom about today's Russia. As Kotz and Weir convincingly show, the Soviet economy did not fall apart by its own momen-

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Stanislav Menshikov is a Russian economist who has spent the last few years teaching at Erasmus University in Rotterdam, the Netherlands, and who now commutes between Rotterdam and Moscow, where he has joined the CEMI (Central Institute of Mathematical Economics) as Chief Research Associate. Among his books published in English are *Millionaires and Managers* (Progress, 1969), and (with John Kenneth Galbraith) *Capitalism, Communism, Coexistence* (Houghton Mifflin, 1988).

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tum. It was intentionally destroyed by members of its own elite who became increasingly anti-Communist and procapitalist. It was not a revolution from below since the popular majority still favored socialism, in spite of its many flaws. It was a "revolution," or rather counter-revolution from above led by Boris Yeltsin and the elitist coalition that supported him.

This is not the first and, obviously, not the last book that attempts to put forward the same basic concept. There is already a vast list of current Russian authors who dwell on the counter-revolution of the former Socialist elite. In fact, "treason" committed by a large part of that elite is the predominant explanation by the left opposition. I myself published a book in June 1996 which explains the socio-economic and ideological roots of the anti-Socialist degeneration of a large part of the Soviet *nomenklatura* (Stanislav Menshikov, *Russian Economy: Practical and Theoretical Aspects of Transformation to a Market Economy*, Mezhdunarodnyie Otnosheniya, Moscow 1996). My attempts so far to publish an English translation in the United States have been unsuccessful. I am pleased and a bit surprised that a book like that of Kotz and Weir has succeeded in being produced at all. In general, I see very little readiness by the U.S. media to print the truth about the former USSR if they do not like it or it does not fit the prevailing line.

The basic thesis of the Kotz and Weir book is rooted in a well established left-communist (Trotskyist) tradition which, as early as the 1920s, accused the Soviet leadership of transforming itself into a bureaucracy that would eventually become a new form of a ruling and exploitive class within a system that would become (in one version of this thesis) state capitalist rather than socialist. In 1941, James Burnham, a Trotskyist theoretician who later became a garden variety ultraconservative anti-communist writer, produced his basically Marxist analysis of what he called the "Managerial Revolution." In his analysis, Soviet "socialism" was seen as one manifestation among several of the global transformation of capitalism into a new formation-managerism. In the early 1950s Milovan Djilas illustrated the same line of thinking in his *New Class*.

None of these variants however managed to capture the principal historical tendency of the ruling socialist elite, i.e. its eventual transformation into a class of nouveaux riches predators who would feed on the open private appropriation of Socialist property (both state and collective). Widespread corruption was simply another form and mechanism of that appropriation. This

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tendency is very different from the core Trotsky-Burnham-Djilas tradition. Whereas the latter assumed that the "New Class" would want to preserve its position through the mechanism of State Managerism, or whatever one wishes to call it, what actually happened was the overwhelming urge to destroy the very system that made them the bosses of society. It must be admitted that the closest correct forecast of what was to happen was not made by a scholar, but rather by a satirical novelist, George Orwell, in *Animal Farm* where the ruling class of Pigs (i.e. nomenklatura) reached their final goal of becoming equal with People (i.e. private capitalists). I always liked to refer (privately, of course) to our ancient regime in the USSR as "Svinalism" which, translated from Russian, literally means "Piggism." Boris Yeltsin is a classical example of the breed that emerged from Comrade Napoleon.

How exactly it happened that the descendants of Lenin and Stalin became robber barons is a separate subject which needs more space to explain in theoretical and political terms. Kotz and Weir tell part of that story and it has to be read to be understood. Much of it I tend to agree with and do not wish to repeat. With that basic agreement clearly understood, let me point to some of my disagreements with the authors. 1. I do not agree with their assessment of Gorbachev as a leader who sought to retain socialism and the USSR to the end. When he visited Holland a couple of years ago I heard him admit that he was thinking of destroying the system when he was not yet even a member of the Politburo. He said he intentionally sought General-Secretaryship because no other post provided him with the possibility of destroying it from above. I tend to believe him, at least to some extent. While he always used and still uses some socialist phraseology, I think he is more sincere when he admits that he had in mind a very different objective.

His principal opponents in the Politburo were those who wanted to retain the socialist features of the Soviet system (so called "hard-liners"), not proponents of capitalism. Most of these "hard-liners" have not participated in the robber-baronism of recent years. Gorbachev's removal of Yeltsin in 1987 was due to personal rivalry rather than to disagreement along the socialist/capitalist divide. Yeltsin wanted it to happen faster, Gorbachev preferred the slower route which would also keep him at the top. Gorbachev's closest allies in the Politburo were Yakovlev and Shevardnadze. Yakovlev openly started his anti-Communist activities immediately after becoming Party Secretary. As propaganda chief he brought in

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staff advisers who helped him start negating the basic theoretical foundations of Marxism and socialism. He admitted as much in the introduction to one of his later published denunciations of Marxism. I knew him personally and can vouch for the truth of these admissions. Many people in Russia sincerely believe that Yakovlev worked for the CIA from the time of his U.S. sojourn at Columbia University in 1958-1959. There is some evidence that this might be true. When such evidence was brought to Gorbachev's attention, he invariably ignored it keeping Yakovlev among his closest aides.

Shevardnadze, as he himself admitted later, had privately discussed ways of changing the system with Gorbachov while walking along a Black Sea beach in the late 1980s when both were already Politburo members but not yet leading ones. Incidentally, Shevardnadze was a wealthy man even under the old system (as was Azerbaijan's Aliyev, another Caucasus "godfather" in the shadow economy). When Shevardnadze became Foreign Minister, he publicly opposed the basic communist position that the struggle between capitalism and socialism was the principal contradiction of our times. This was a major revision which led to the radical pro-Western change in Soviet foreign policy under Gorbachev (the so-called "new thinking") and the eventual abandonment to NATO of the Soviet Union's friends and supporters in Eastern Europe and the GDR. When Yakovlev was put in charge of the International Department of the Central Committee (I used to work there), he immediately started to fold up the whole operation. At one point, the CP organization of the Department even expelled him from Party membership in protest against that activity.

2. While Kotz and Weir are right about the capitalist transformation of the state-party elite, they do not adequately point out that there were many exceptions. It is true that many members of the elite did become later-day capitalists, but one should be careful about concrete examples. For instance, Nikolai Ryzhkov's position as Chairman of the Tveruniversalbank (which he held for a short time) was purely consultative, he had neither executive functions in the bank, nor stock ownership. He resigned that position in early 1995 in order to actively participate in CPRF pre-election politics. He is a sincere believer in socialist planning and an honest communist.

For foreigners, who have never observed the scene and mechanism from the inside, it is somewhat difficult to distinguish between different parts of the state-party elite. While most of the

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current top rulers of today's Russia were well-positioned under the former regime, it is also true that only a small part of the former party functionaries both at the center and in the provinces made it to the new business class. Some Komsomol leaders did succeed in becoming multimillionaire financiers, but they are exceptions rather than the rule. Many of the old Party functionaries did continue as local administrators under the new regime, but they did not necessarily change their allegiances. It is they who were instrumental in reviving the extensive CPRF network that gave it its victory in the parliamentary elections of December 1995, 30 million votes for Zyuganov in July 1996 and half of the Governorships in the local races later that year. Most of the former Politburo members and Central Committee secretaries (but not top leaders of the former USSR republics, who mostly became local dictators) are surviving in retirement on meager pensions, as well as most medium level functionaries whom I happen to know. To say that most of them have turned into capitalists or are supporting the procapitalist party is not true.

A very different category are members of the economic elite from enterprise directors, chief engineers etc. at the lower level to the top economic *nomenklatura* types like Chernomyrdin, Alikperov, etc., particularly in the gas, oil, metals and some few other industries that have relatively prospered under the new regime. These are representatives of different layers of the former managerial class who, for all practical purposes, were in control (or de facto owners) of economic assets even under the Soviet regime. Many of them benefited from the numerous possibilities of selfenrichment associated with such control. But control is not equal to ownership. They wanted to be owners, at least controlling stockholders, of their refineries, factories etc. This is the category that, starting with the CPSU conference of 1988, called for the abolition of industrial ministries (primarily) at the Union level, which later made them natural allies of Yeltsin. And it was they who eventually became, in most cases, controlling stockholders of their enterprises after the latter were voucher-privatized mostly as single units separated from the higher co-ordinating organizations in their former ministries. This slice of "red directors" became the new capitalist-managers. Some of the members of the top economic bureaucracy joined them, particularly when it became possible to come into control of multi-enterprise energy concerns like Gasprom and Lukoil.

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The Soviet economic (and largely technocratic) elite never liked the party elite and there was plenty of antagonism between them. One reason for their support of Yeltsin was their desire to get rid of CP control over their operations.

Another important part of the new capitalist class came from the Soviet underground (or "shadow") economy. The book largely misses this component. The shadow economy per se was estimated to account for 15 percent of the Soviet GDP by the end of the 1980s (today ranging from 25 to 40 percent, but now a very different creature—characterized mainly by tax evasion). More importantly, it was closely connected with the lower and middle levels of the economic bureaucracy, making them both parts of one undercover capitalist chain of operators in the pores of Socialism. When private business was legalized towards the end of Gorbachev's rule, they started laundering their businesses and previously accumulated assets. Some of the richest people of today come from this semi-criminal strata. Mr. Gusinsky, head of the Most-Bank group, started as a construction manager with underground operations, and so did Mr. Smolensky, head of the Stolichny Bank, another important financial institution. Both stand (or at least stood) close to Moscow Mayor Luzhkov, an important potential contender for top power in the country. None of them come from the Party machine.

Add to this a whole army of small business operators (e.g. retail kioskers in the streets of Moscow) who mushroomed in the late Gorbachev years, and you have a numerous petty capitalist class quite apart from those who came from the elite. They joined ranks later.

In other words, the point about Soviet Socialism generating a capitalist class coming from the former *nomenclatura* should be supplemented and strengthened by the hidden capitalists that were produced in the pores of the Socialist system and operated within it for quite a long time before it was overthrown. I investigate this aspect in some detail in my new book.

3. The authors' use of the term "intelligentsia" is too loose when they make it the ally of the procapitalist party. It is true that an antisocialist intellectual elite did emerge in Moscow, St. Petersburg and the other capitals largely among writers, theater and cinema directors, newspaper editors and the like. But in Russia the multimillion strong intelligentsia also includes the atrociously underpaid (and usually totally anti-capitalist) teachers, doctors, university professors, engineers, scientists, and academy scholars. Most

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of them never supported capitalism and were impoverished by Yeltsin's reforms. Millions of them now vote for the CP and some even for Zhirinovsky (it is an oversimplification to dismiss the latter's electorate as marginalized lumpen).

4. Yeltsin did not have the overall support of the old elite in late 1991 when he initiated legislation that permitted shock therapy. The vote in the Congress of Deputies was taken in late October when few of the parliamentarians realised what was at stake. The CP at that time was banned and most parliamentarians, as former CP members, were simply scared. But, as the book correctly states, the then vice-president Rutskoi was already in December calling Gaidar's team "boys in pink pants." When Khasbulatov (then Speaker of the Russian Congress of Deputies) met the IMF team in October 1991, he thought that he, as a professional economist, rather than Gaidar, would be given top control over the process. This does not mean that Khasbulatov was in favour of shock therapy. He was one of the first to oppose it. Opposition to Gaidar did not emerge out of nowhere—it coincided with opposition to the dissolution of the Soviet Union. This created the first serious split within Democratic Russia (the initial coalition of all anticommunist politicians) which later lead to Gaidar's political defeat.

5. Most top Russian economists explicitly objected to Gaidar's reforms and to capitalism in general. This includes all directors of the economic institutes in the Academy of Sciences (without exception), their deputies, department heads, etc., and professors in the Universities. Leonid Abalkin was not an exception nor in the minority. There is not a single leading Soviet economist who then supported Gaidar's reforms. In fact, many of them publicly objected. People like Gaidar (and his team) were the exceptions and in most cases they came from a very secondary group in the profession (arguably another reason why they failed). Yavlinsky came from out of the blue—nobody knew him before he emerged with his "400 Days" program to which Shatalin (on Gorbachev's orders) only added his signature and another hundred days (quantity, not substance) making it "500 Days."

Soviet economists did not "parrot" simpleminded views about capitalism, they knew the different roles of private capitalistic and noncapitalistic ownership and had a generally realistic view of how the socialist system performed. Economics teaching was not universally "parroting." It is true though that most of that profession did not understand the workings of present-day capi-

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talism. But neither do Gaidar, Chubais, Nemtsov and other capitalist "reformers," which is one (but far from the only) reason why their policies are so destructive.

Some Minor Points

Kotz and Weir quote a June 1991 survey (by Kullberg) to support the view of an early procapitalist majority among the elite. I find this extremely doubtful. The fact that the majority of the elite was still prosocialist is shown in the privatization law of summer 1992, which formally provided in most cases for employee ownership of 51 percent of the privatized enterprises. No East European country followed that example. Gaidar and Chubais could not have their voucher scheme approved by Parliament without that provision. The political elite was still largely thinking in terms of employee-controlled plants (but not typical western-type corporations) as the basis of the economy.

A careful analysis of the results of another important survey of the new elite (by Kryshtanovskaya) supports this view. The largest portion of the top new Russian businessmen came from the Soviet economic elite—industrialists and bankers amounting to 37 percent. The "other" category represents the former underground economy and constitutes another 18 percent. It is larger than the Komsomol category, which is the only connection to the party elite that can be considered important. "Scientists" are those new entrepreneurs who mostly came from the applied research institutes closely associated with industrial enterprises. One of them, Mr. Berezovsky is estimated by "Forbes" to be worth $3 billion.

As seen from the above, I am not contesting the basic and correct view of Kotz and Weir about the capitalist transformation of a large part of the Soviet elite, but am trying to make that point more precise.

The August 1991 "coup" they describe in the prevailing western version which is favorable to Yeltsin and Gorbachev. Actually, no proof of Gorbachev's "house arrest" has been established. There is substantial evidence (from most memoirs) that he actually approved the *putschists* actions while betraying them later. Yeltsin apparently knew of the whole operation in advance. General Varennikov, one of the alleged "putschists," was tried on his insistence by a Russian court and found not guilty. Others did not seek to contest the accusation in court and were amnestied.

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The real anticonstitutional coups were on Yeltsin's part, first in December 1991 when he (together with the Ukraine's Kravchuk and Shushkevitch from Belarus) illegally dissolved the Soviet Union, and then the October 1993 tank assault on the Russian parliament (the "White House," as it was then called) and the arrest of its leaders. Once again, the latter episode demonstrates the largely anticapitalist composition of the first Russian parliament. Real democracy was introduced in Russia before Yeltsin came to power. I visited the White House many times and still recall the spontaneously free democratic spirit which reigned in that body. It was like inhaling fresh air as compared to the predominantly procapitalist propaganda in most of the progovernment media.

Yeltsin later admitted that he made a serious mistake when he retained in 1991 this vestige of the Soviet system. He hated it because the Soviets, as popularly elected bodies, were formally superior to the executive branch at all levels and represented what Lenin initially believed to be "direct democracy" rather than the roundabout "parliamentary democracy." The CP monopoly made this largely a fiction, but once that monopoly was abolished, the Soviets proved to be genuine democratic institutions. Yeltsin abolished all Soviets after October 1993, not only the old Parliament, thus introducing a predominantly administrative, rather than representative, government at the local level as well.

My critical comments do not mean that I do not like the Kotz-Weir book. As I explained above, it is an extremely valuable contribution to the analysis of today's Russia. But I do regret that important nuance is missed by even the best of U.S. scholarship on Russia, available as it is only from an easy familiarity with the growing body of Russian language literature on the counter-revolution from above.

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The Illusions of Postmodernism

by Colin Mooers

Terry Eagleton, *The Illusions of Postmodernism* (Blackwell Publishers, 1996), pp. v-147.

A grammatically-correct friend explained to me recently that when terms like "Post-Modernism" are written as "Postmodernism" it represents the linguistic equivalent of coming of age. Which, like so many apparently momentous passages in life, may be full of sound and fury, but in the end signify very little. Nevertheless, as Terry Eagleton points out in the preface to this very clever and readable book, "Part of the power of postmodernism is that it exists, whereas how true this is of socialism these days is rather more debateable. *Pace* Hegel, it would seem at present that what is real is irrational, and what is rational is unreal."

The Illusions of Postmodernism sets out to challenge not so much the heavy hitters of the postmodernist canon but the "sensibility of postmodernism" which has seeped down to become part of the intellectual "common sense" of many young (and not-so-young) people, especially if they have come within a stones throw of a university classroom in the past ten years. As Eagleton explains, "Postmodernism is a style of thought which is suspicious of classical notions of truth, reason, identity, and objectivity, of the idea of universal progress or emancipation, of single frameworks, grand narratives or ultimate grounds of explanation. Against these Enlightenment norms, it sees the world as contingent, ungrounded, diverse, unstable, indeterminate, a set of disunified cultures or

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interpretations which breed a degree of skepticism about the objectivity of truth, history, and norms, the giveness of natures and the coherence of identities."

For the not-so-young adherents of postmodernism, the appeal of this way of viewing things has much to do with the fact that the world has not turned out quite as expected. For many, the youthful political optimism that the world could be set to rights which inspired a generation of radicals thirty years ago, has given way to a kind of "libertarian pessimism," a belief that not much change is possible (or perhaps even desirable) and maybe capitalism isn't so bad after all, especially in its more exotic consumer forms. "Radicals, like everyone else," Eagleton reminds us, "can come to hug their chains, decorate their prison cells, rearrange the deck chairs on the *Titanic* and discover true freedom in dire necessity."

In a satirical first chapter (which first appeared in MR July-August 1995 and subsequently in the MRP collection *In Defence of History),* Eagleton invites us, using a rhetorical device dear to postmodernists, to imagine a world in which the Left had suffered a crippling political defeat. In such a world one would expect that big ideas like "social totality," "class system," and "mode of production" would become suspect, in part because the only kind of political activity around would seem to be restricted to the cracks and crevices of the system. The grand political projects of yesterday would have given way to an apparently more feasible and sensible "micropolitics." One could visualize a new politics celebrating the fragmentary and the ephemeral aspects of life emerging, or perhaps "a new somatics" in which the body (but definitely not labouring ones) would be seen as the primary site of struggle and resistance. In the realm of knowledge one could imagine the belief taking hold that not much of anything could really be known for sure about the world—which raises the sticky question of how one would know that such a belief was true in the first place. If all scientific and other forms of knowledge had been levelled to the common denominator of "culture," with no culturally produced "discourse" any better than another, one could equally conceive of many well-intentioned people at a loss to justify why democracy might be preferable, to say, fascism. When political horizons shrink, "rigorous, determinate knowledge is rather less in demand when there seems no question of full-blooded political transformation."

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Like all good political satire, Eagleton's actual message isn't very funny at all. The world he depicts is, of course, not fictional but entirely real. It is the depressingly familiar intellectual and political landscape inhabited by much of what is left of the Left. But, as Eagleton is well aware, his thought-experiment raises an important question. For younger adherents of postmodernism, the experience of political defeat has been largely absent: "If postmodernism were nothing but the backwash of political debacle, it would be hard, impressionistically speaking, to account for its often exuberant tone, and impossible to account for any of its positive attributes." Among postmodernism's positive achievements has been to highlight issues of gender, race and ethnicity as well as placing questions of sexuality, desire and identity firmly on the political agenda. Marxism has dealt tolerably well with the first set of issues but less well with the latter. Postmodernism can at least be credited with "an immeasurable deepening of the fleshless, anaemic, tight-lipped politics of an earlier era."

The problem is that it has done so in a haphazard, one-sided and frequently censorious manner. For all its emphasis on the "cultural" and the "material," postmodernism has a skewed conception of both. "One may, by and large, speak of human culture but not human nature, gender but not class, the body but not biology, *jouissance* but not justice, post-colonialism but not the petty bourgeoisie." For example, class is reduced in laundry-list fashion to "classism" alongside racism and sexism, as if it were the result of discriminatory practices directed against people from certain social backgrounds. This confused form of culturalism, as Eagleton observes, "is bound to miss what is peculiar about those forms of oppression which move at the interface of Nature and Culture." Women's oppression and racism have social roots as does class exploitation. But women and people of colour are oppressed as *women* and *people of colour*. In a liberated world there will still be women and people of colour but not proletarians.

Postmodernism's aversion to anything that smacks of "grand narratives" or teleology also prevents it from grasping just how mired we still are in what Eagleton calls "the impossibilities of modernity." Put simply, for well over two hundred years liberal capitalism has been promising "liberty, equality and fraternity" for all but has instead delivered a world in which these ideals are systematically subverted by its own operations. The "liberty" of capitalists to accumulate wealth undermines the freedom of just

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about everyone else; political equality is subdued and restricted by the overarching powers of capital. It has been the task of socialism to point out these contradictions and to offer a way of overcoming them. It is no excuse for letting capitalism off the hook if what has gone by the name of socialism for most of this century has failed to achieve these ends.

One of the odd things about postmodernism is its remarkable lack of self-awareness about its own place in history. Just when capitalism has entered perhaps its most "totalizing" phase, "history" and "totality" have fallen out of fashion. But, as Eagleton points out, "though we may forget about totality, we may be sure that it will not forget about us." In the current period postmodernism plays a contradictory role, at once aggressively exposing and uncritically celebrating, aspects of capitalism. It is, Eagleton suggests, radical and conservative at the same time, which is true of capitalism too. The logic of the capitalist market is disruptive, wildly transgressive and saturated with desire. Consequently, it is always in danger of dissolving its own moral and ideological foundations. At the same time, it retains a resolute commitment to its own values, ensuring that those who "transgress," for example, rights to property, are duly punished. That is why capitalists are, in one sense, "spontaneous postmodernists"; ideological guardians of the system cannot afford to be. Postmodernism may be compatible with certain aspects of capitalism's current *zeitgeist,* especially its rampant consumerism. But it is hardly a suitable ideology for a system which still depends so deeply on the moral and physical discipline of those whose labour it exploits.

There is one sense, though, in which postmodernism and Marxism share a common set of goals. Both wish for a world in which plurality and difference are respected, in which people are able to choose whatever identity suits them, and where human desires and their gratification can be savoured to the full. The problem is that some postmodernists think that we are already there. Radical postmodernists think it still lies somewhere in the future but have very little to say about how we might get there. This is where "grand narratives" like Marxism come in handy. Marxism may not have a lot to crow about these days, but its method of understanding the world and its moral vision of the kind of society needed to replace the present system, still remains superior to anything on offer from postmodernism. This superb book goes a great distance toward explaining why.

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(Continued from inside front cover)

best month for the Dow Jones Industrial average, were surrendered in August, its worst monthly setback in seven years."Increasing volatility has characterized the financial markets for some time, but extreme behavior of this kind can hardly be considered routine and more likely portends a break in the trend. In times gone by it would probably have been safe to predict a market collapse somewhere along the line, but times have changed and this no longer seems inevitable. The financial elders have learned a lot about crisis management since the near meltdown of 1987, when Alan Greenspan, relatively new to his job at the Fed, pledged unlimited central bank support for a beleaguered credit structure. What seems more likely today than a market collapse is a gradual slowdown as the economy moves from moderate expansion to creeping stagnation. We recognize of course that by the time these notes are in print they may make us look foolish. It wouldn't be the first time.

(2) The teamsters' successful strike against the United Parcel Service is an event of an entirely different order. It confirms what many have been saying, or hoping since the recent change in leadership at the AFL-CIO, after more than a decade of decline and defeat, the labor movement had finally woken up to its traditional tasks of protecting workers against the savage depredations of capital that characterized the Reagan-Thatcher period. The full story of the planning and execution of the strike has yet to be told, but enough is known to justify the claim that the whole operation was meticulously prepared and effectively carried out. The purpose was clearly to announce to the world that the recovery of the American Labor movement is no longer just a project but an accomplished fact. The UPS was the perfect target. It quite literally exists everywhere in the country, in rural areas as well as in the cities. The brown delivery vans are a familiar every-day sight, and many people are on friendly terms with their local drivers. The objects of the strike, particularly those relating to the creation of more full-time jobs with relatively good pay and benefits, were generally popular. Inconveniences inflicted on customers, which affected not only business but also tens of thousands of individuals, put increasing pressure on the company to settle. All in all it is hard to imagine a strike situation more favorable to the workers' cause. Add to this the fact that from the beginning the teamsters received whole-hearted support from the AFL-CIO and many local unions, and you will understand why the company caved in so rapidly.

There is no doubt that he UPS strike accomplished its purpose. The labor movement is back. The change signaled by the election of new leadership is real. A new era in the perennial struggle between capital and labor is beginning.

That's the big news, and it s very good news indeed. But it needs to be qualified and tempered by many considerations. We hope to return to some of these in future issues.

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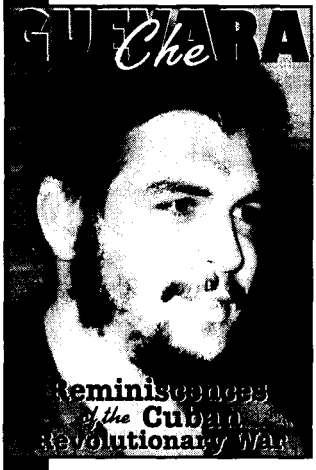

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